

4 The enabling environment for participation in service design and delivery in Portugal

This chapter explores the opportunities for civil society in Portugal to directly contribute to more inclusive and accessible public services. It begins with an in-depth overview of the role of civil society organisations and enabling environment for their work as service providers, advocates and watchdogs with a focus on access to funding and administrative requirements. It analyses the legal, institutional and policy frameworks governing participation of citizens in addition to the methods used, identifying challenges and opportunities to strengthen implementation. It includes a set of recommendations on how the government could increase inclusion and impact in the way it informs, consults and engages stakeholders and citizens in service design and delivery.

4.1. The enabling environment for civil society

An autonomous, empowered and active civil society is a core building block for a more open and inclusive democracy. These actors play an important role in safeguarding a healthy civic space by “educating the public, providing basic services, protecting the environment, defending the interests of vulnerable groups, conducting social research and analysis, and acting as a public watchdog” (OECD, 2022^[1]). An enabling environment is therefore central for promoting their effectiveness and ability to contribute to the provision of more responsive, inclusive and accessible policies and services. As underlined by the OECD *Recommendation on Open Government*, opportunities to contribute to and participate in public decision-making processes not only promote a wider diversity of voices – beyond those that traditionally have access and influence – but also help improve the quality of policy outcomes (OECD, 2017^[2]).

Various elements create an enabling environment for civil society organisations (CSOs) (OECD, 2022^[1]). First, a conducive legal and policy landscape that safeguards freedom of association and enables a pluralistic civil society to reach its full potential and maximise its impact is essential. Second, adequate funding and access to a diverse pool of resources are a lifeline for civil society and support its degree of professionalisation and autonomy. Third, a further element is ensuring CSOs can conduct their activities without undue interference. Together with the broader conditions for people-centred services that are discussed in Chapter 3, these elements play a key role in strengthening CSOs’ contribution to public decision-making and the provision of vital services.

4.1.1. Legal frameworks governing civil society

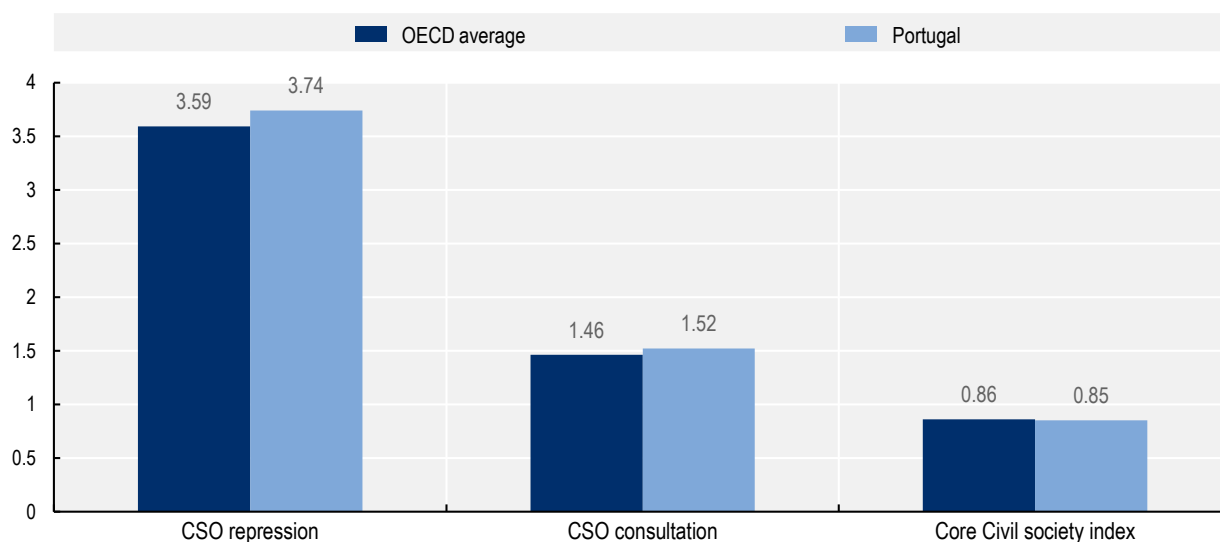
Freedom of association is well established and protected in Portugal by a robust legal framework discussed in Section 3.2.3 in Chapter 3. Civil society activity is regulated by a range of laws that are applicable depending on the missions and different type of organisation in question (FRA, 2021^[3]; Library of Congress, 2021^[4]). Articles 167-184 of the Civil Code (Government of Portugal, 1966^[5]) regulate the constitution and activities of non-profit associations in Portugal. The act of constituting a CSO requires registration in a notary’s office and specification of the goods or services with which the members contribute for the social patrimony; the name, purpose and headquarters of the legal entity; the form of its operation; and its duration if not created indefinitely. CSOs are regulated by dedicated legislation (Government of Portugal, 2022^[6]), including for non-governmental environmental organisations (Law No. 35/98 (Assembly of the Republic of Portugal, 1998^[7])), non-governmental organisations for co-operation and development (Law No. 66/98 (Assembly of the Republic of Portugal, 1998^[8])), associations of immigrants (Law No. 115/99 (Assembly of the Republic of Portugal, 1999^[9])), private social solidarity institutions (Decree-Law No. 172-A/2014 (Government of Portugal, 2014^[10])), foundations (Law No. 24/2012 (Assembly of the Republic of Portugal, 2012^[11])), religious foundations (Law No. 16/2001 (Assembly of the Republic of Portugal, 2001^[12])) and co-operatives (Law No. 119/2015 (Assembly of the Republic of Portugal, 2015^[13])).

In line with most OECD Members, the Portuguese regulatory framework grants a “public utility” designation for certain non-profit entities to benefit from tax exemptions (OECD, 2022^[1]). Decree-Law No. 460/77 (Government of Portugal, 1977^[14]) defines this type of entity as “associations or foundations that pursue purposes of general interest, or the interests of the national community or of any region or district, co-operating with the central or local administration”. Entities that are granted public utility status are covered by the Statute of Tax Benefits (Decree-Law No. 215/89 (Government of Portugal, 1989^[15])), which allows them to benefit from patronage financing and provides donors the ability to deduct these amounts from their personal income tax (FRA, 2021^[3]).

4.1.2. Civil society's crucial role in the design and delivery of public services

In Portugal, civil society benefits from a relatively favourable enabling environment. Data from V-Dem illustrate that Portugal is above or in line with the OECD average in terms of the robustness of its civil society (0.85 out of 1 in the Core CSO Index)¹ and benefits from low levels of CSO repression (3.74 out of 4)² and a high degree of CSO consultation (1.52 out of 2)³ (Figure 4.1). CSOs can generally conduct their work without restrictions, in particular when it comes to the acquisition and sale of property, reception of international funds, engagement in gainful activities (i.e. selling a product or service) and engagement in political activities or campaigns (i.e. advocacy) (OECD, 2022^[1]).

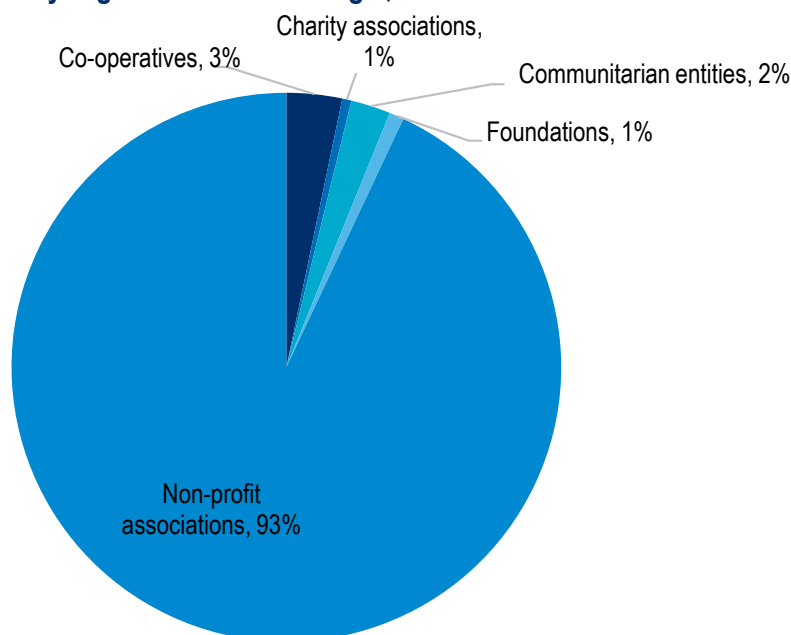
Figure 4.1. Portugal's scores in Varieties of Democracy Institute's civil society indices, 2022



Note: CSO repression indicator (on a scale of 0-4, where 0 indicates severe CSO repression and 4 no repression); CSO consultation indicator (on a scale of 0-2, where 0 indicates no consultation exists and 2 indicates CSOs are given a voice on key policy issues); the Core CSO Index measures how robust civil society is (on a scale of 0-1, where 0 indicates low and 1 high).

Source: V-Dem (2022^[16]), Indicators on core CSO index, CSO repression and CSO consultation, https://www.v-dem.net/data_analysis/CountryGraph.

Together, these favourable conditions have contributed to a flourishing, healthy and diverse civil society sector in Portugal. Data from 2016, which is the latest available from Statistics Portugal, indicate that a total of 71 885 CSOs were operating in the country at the time (Statistics Portugal, 2019^[17]). Most of these actors were registered as private non-profit association (66 761), while the remainder were co-operatives (2 343), communitarian entities (1 678), foundations (619), charity associations (387) and mutual associations (97) (Figure 4.2). According to a study by the Gulbenkian Foundation, close to one-third of non-profit associations emerged in the form of social welfare entities⁴ (also called private social solidarity institutions or *instituições particulares de solidariedade social*) after the fall of the dictatorship in 1974 from the grassroots level “to provide a collective response for social service gaps, support crisis responses and open spaces for artistic and cultural expression” (Campos Franco, 2015^[18]; Government of Portugal, 2014^[19]). In 2016,⁵ the most common areas of activity for CSOs in Portugal were Culture, communication, and recreation activities (33 722); Religious congregations and associations (8 533); Social services (6 978); Civic, advocacy, political and international activities (5 912) (Statistics Portugal, 2019^[17]).

Figure 4.2. Types of civil society organisations in Portugal, 2016

Note: Mutual associations make up less than 1 % (0,13%) of the CSOs and are not visible in the graph.

Source: Statistics Portugal (2019_[17]), SESA third edition: Social Economy accounted for 3.0% of GVA in 2016, https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_destaques&DESTAQUESdest_boui=379958840&DESTAQUEStema=00&DESTAQUE_Smodo=2.

These organisations are generally led by volunteers, with only a small share composed of remunerated staff (Campos Franco, 2015_[18]). For example, in 2016, the number of people formally employed by the civil society sector represented only 5.3% of the total national employment (Statistics Portugal, 2019_[17]). Civil society work is supported by a strong volunteering culture in Portugal, where more than 650 000 individuals over the age of 15 volunteer regularly. Nevertheless, a study by the Gulbekian Foundation found that regional disparities exist in terms of the ratio of the number of inhabitants per non-governmental organisation (NGO), which has significantly impacted the degree of representation and the availability of local volunteering opportunities, in particular in the hinterlands (Campos Franco, 2015_[18]).

CSOs have been able to consolidate a strong presence and foster inter-agency collaboration through various national networks and platforms. According to the Gulbekian Foundation, there are three major federate structures in Portugal bringing together CSOs and facilitating collaboration: the National Confederation of Solidarity Institutions (Confederação Nacional das Instituições de Solidariedade), the Union of Portuguese Holy Houses of Mercy (União das Misericórdias Portuguesas) and the Union of Portuguese Mutualities (União da Mutualidades Portuguesas) (Campos Franco, 2015_[18]). Federations on specific thematic areas have also emerged in recent years to enhance the impact of work on “local development, environment, promotion of equal opportunities, international development co-operation and women’s rights” (FRA, 2017_[20]). For example, the Portuguese Non-Government Development Organisations Platform (Plataforma Portuguesa das ONGD) represents over 60 Portuguese non-governmental development organisations (NGDOs) to strengthen their intervention by sharing experiences, training and representation in international fora. While their ability to collectively organise and effectively impact policymaking is limited, findings from OECD interviews reveal that these structures have facilitated fundraising for their members through formal co-operation protocols and opened communication channels with the government.⁶ More recently, the multi-stakeholder forum created in the framework of Portugal’s membership of the OGP has also created a platform for civil society to participate in public decision making, advocate for a wider diversity of voices in policymaking and scrutinise the work of government (Government of Portugal, 2022_[6]).

CSOs have historically played an important role in public service delivery. Notably, the fall of the dictatorship catalysed the expansion of the sector and the consolidation of dispersed and dissident movements (Fernandes and Branco, 2017^[21]). During this transitory period, the country experienced high levels of unemployment and the inability of a newly formed state to fully operate, which prompted the non-profit sector to take charge of the provision of a broad range of social services (Casanova, Guerreiro and Pervova, 2018^[22]; Campos Franco, 2015^[18]). As a result, co-operation programmes emerged between the sector and the government as a way to finance and support programmes for the integration of marginalised groups, childcare, elderly care and employment programmes. With the entry of Portugal into the European Union in 1986, exposure to regional standards opened up new sources of funding and ushered in the development of an enabling legislative framework (Casanova, Guerreiro and Pervova, 2018^[22]).

CSOs continue to fulfil a primary role in bridging delivery gaps and facilitating access to a broad range of public services. Notably, the Portuguese state regularly contracts private institutions and other non-governmental associations for the provision of vital social care services, in particular with a focus on child and elderly care (Casanova, Guerreiro and Pervova, 2018^[22]). Findings from OECD interviews also revealed that these actors are primary partners implementing programmes as part of government strategic plans in areas such as inclusion, combating discrimination, gender equality and media literacy.⁷ For example, in the framework of the National Strategy for the Inclusion of People with Disabilities, CSOs support the National Rehabilitation Institute (Instituto Nacional para a Reabilitação) with the management of over 90 service counters for people with disabilities, the delivery of trainings to promote inclusion and the provision of support services for independent living. Together with parishes, local civil society actors have also played a direct support role in enabling citizens to access certain services (Campos Franco, 2015^[18]). According to OECD interviews, Portuguese migrant associations serve as a first point of contact and play a very important role in the integration of these communities in public life, through awareness-raising efforts, accompaniment in formal state documentation processes and language facilitation. In the case of the social security sector, CSOs often partner with parishes to provide guidance to households in vulnerable situations on the process of applying for and accessing social benefits.⁸

Second, CSOs have been important advocates for the rights of marginalised groups in the design of policies and services. Indeed, these actors have been at the frontlines ensuring the protection of fundamental rights and the representation of a wide diversity of voices through relevant fora⁹ and established communication channels with the government (FRA, 2021^[3]). This is consistent with findings from OECD interviews, which reveal that CSOs have taken an active part in the design and implementation of government strategic plans – including the National Strategy for Equality and Non-Discrimination 2018-2030 (Government of Portugal, 2018^[23]), the Strategic Plan for Migration 2015-2020 (Government of Portugal, 2015^[24]), the National Strategy for the Inclusion of People with Disabilities 2021-2025 (Government of Portugal, 2021^[25]), and the National Strategy for Innovation and Modernisation of the State and Public Administration 2020-2023 (Government of Portugal, 2020^[26]) – to address existing inequalities and ensure that funds are channelled for the deployment of relevant social programmes.¹⁰ The creation of the [Participa.gov](https://participa.gov.pt) platform in 2021 and the multi-stakeholder forum have also been relevant spaces for CSOs to represent the voice of those traditionally lacking influence in public consultations (Government of Portugal, 2022^[6]).

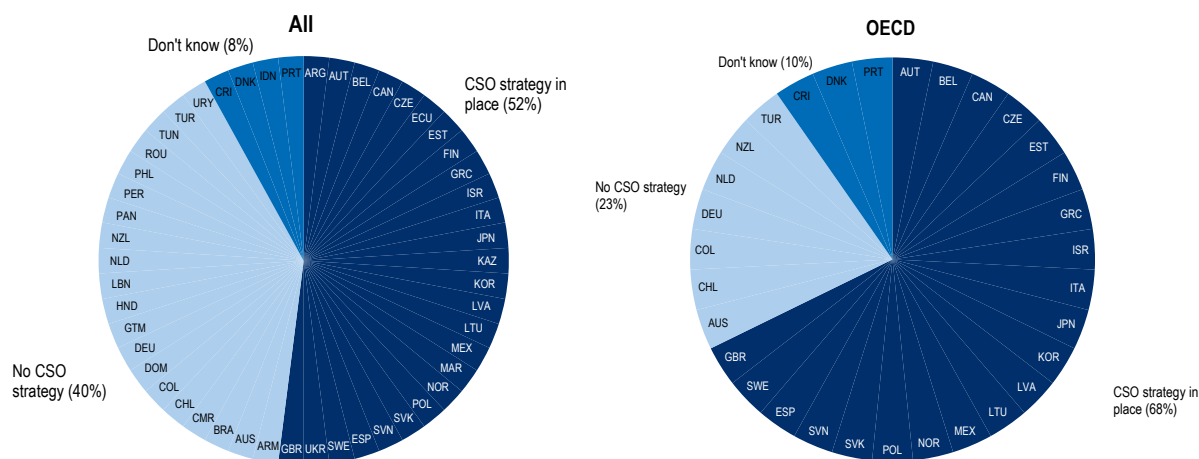
Finally, CSOs also act as a first line of defence in their function as watchdogs to hold public institutions accountable for the delivery of vital public services and social programmes. Notably, the sector in Portugal has historically played a critical role in reporting cases of misuse, abuse, lack of access and other shortcomings through international fora, national complaint mechanisms and other informal avenues (Casanova, Guerreiro and Pervova, 2018^[22]). For example, a group of CSOs published an open letter on 15 November 2021 urging the Portuguese government to reconsider a video surveillance and facial recognition law being reviewed by parliament, given the potential data privacy risks that the use of these technologies could bring, including by making use of biometric data for the delivery of public services without consent and introducing instances of surveillance (EDRI, 2021^[27]). According to OECD interviews,

CSOs also take an active role in monitoring the implementation of the government's strategic plans and social programmes through their membership in committees led by thematic oversight institutions.¹¹ While reporting mechanisms in Portugal have their limitations (Section 3.6 in Chapter 3), CSOs notably have not only used these tools to channel complaints but have also provided guidance to victims of abuse on how to use them.

The government has recognised the important role and contribution of civil society in the Guiding Principles (Government of Portugal, 2021_[28]). Through the nine principles, it acknowledges the importance of empowering civil society and promoting its participation at all stages of the service cycle (Principle 1), given their ability to support “duty-bearers” in the provision of inclusive, relevant and accessible services (Government of Portugal, 2021_[28]). It also introduces the need for the continuous monitoring and assessment of services (Principle 7) to address misuse and abuse cases (Principle 6), where the involvement of CSOs and academia can help improve the legitimacy of results as independent and expert evaluators. To equip right-holders with the necessary knowledge and skills to benefit from a wide breath of public services (Principle 8), public institutions can also leverage the experience, data and programmes of these actors, in particular, to deliver to harder-to-reach groups. As LabX undertakes a process to update this methodology, CSOs should be systematically included as key partners to ensure their relevance, scaling and long-term sustainability.

In this context, the government of Portugal could consider developing an overarching policy framework to formalise, align and scale its work with the civil society sector. The use of a CSO policy or strategy is a useful practice that has been adopted in 68% of OECD Members to improve and promote an enabling environment for CSOs (Figure 4.3). Such frameworks can scale the impact and reach of initiatives by promoting a whole-of-government approach through an articulated vision and delineated objectives to empower this group in policymaking and public service delivery. According to responses to an OECD survey, the three most commonly noted objectives of this type of strategic document include “strengthening the state-CSO relationship”, “supporting volunteering and donations”, and “developing strong and independent CSOs”, respectively (OECD, 2022_[1]). In Portugal, such a strategy could assist with engaging a wider group of organisations and contribute to professionalising the sector and overcoming existing funding and administrative burdens. The government of Estonia’s Civil Society Programme (2021-2024) provides a useful example in this regard (Box 4.1).

Figure 4.3. Countries with a policy or strategy to improve or promote an enabling environment for civil society organisations, 2020



Note: “All” refers to 50 respondents (31 OECD Members and 19 non-Members).

Source: OECD (2022_[1]), *The Protection and Promotion of Civic Space: Strengthening Alignment with International Standards and Guidance*, <https://www.oecd.org/gov/the-protection-and-promotion-of-civic-space-d234e975-en.htm>.

Box 4.1. The government of Estonia's Civil Society Programme (2021-2024)

On 10 July 2020, the government of Estonia adopted a Civil Society Programme (2021-2024) to foster an enabling environment for the sector. The programme aims to empower civil society organisations to increase the impact of their work and achieve concrete results towards the socio-economic development of the country. In doing so, it seeks to promote a whole-of-society approach to address the challenges of the 21st century through initiatives aiming to increase the share of the population participating in voluntary activities, support community-led initiatives, upskill non-governmental organisations and improve the general sustainability of Estonian civil society. The programme was prepared as a continuation to the commitments within the Civil Society Development Plan (2015-2020).

A key feature of the programme was its participatory design. Notably, an involvement plan was elaborated to ensure the inclusion and representativeness of a wide variety of voices. As part of this process, an advisory body comprising government representatives and CSOs was set up to draw up the Civil Society Programme, overseeing its preparation and setting its priorities. Four working groups were established to draft the text of the programme, with the participation of members of the advisory body and other partners.

Source: Government of Estonia (2020^[29]), Civil Society Program 2021-2024, <https://www.siseministeerium.ee/kodanikuuhiskonna-programm-2021-2024>.

4.1.3. Funding and administrative requirements for civil society

Access to funding

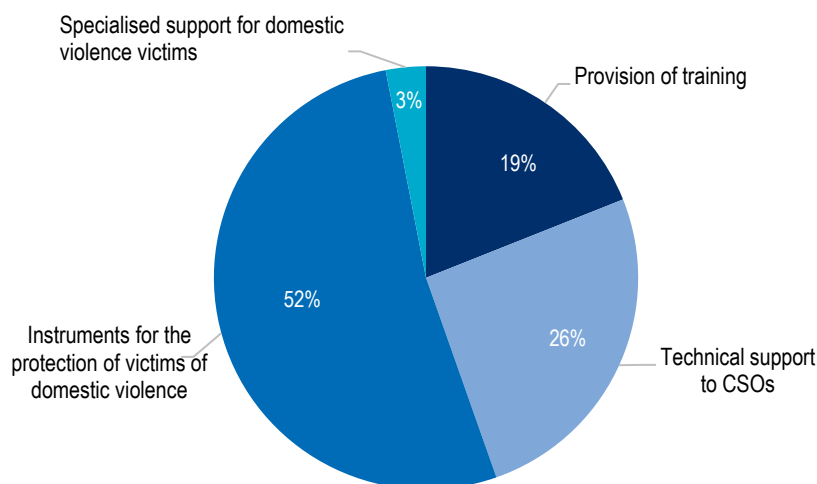
Adequate sources of funding are core components of an enabling environment for CSOs to flourish, operate and partake in public decision making. Indeed, consistent and sufficient resources are not only essential for these actors to effectively deliver, but they also attribute tangible value to their work and recognise the important role of the sector in building more open and inclusive societies. In Portugal, ensuring that resources match the growing contribution of these actors to the delivery and oversight of many crucial services and public programmes is of particular importance.

As in many OECD Members, however, the sustainability of the civil society sector has been underlined as one of the biggest challenges in Portugal by several studies (FRA, 2021^[3]; 2019^[30]) (2015^[18]). These difficulties were aggravated by the decline of financing opportunities due to the effects of the COVID-19 pandemic (FRA, 2021^[3]). Recent reports by CIVICUS reveal that the political crisis following parliament's rejection of the 2022 state budget halted and delayed the allocation of government/EU funds foreseen for the sector (amounting to approximately EUR 45 billion) from January until the new state budget proposal in April, for example (CIVICUS, 2022^[31]).

Government funds constitute the primary source of income for most CSOs in Portugal and are made available through different funding mechanisms across key policy sectors. Notably, most national funds are channelled by line ministries on a discretionary basis in the form of open calls to support the delivery of short- to mid-term public programmes and other thematic initiatives in the framework of national strategies. While it is not possible to provide a comprehensive overview of the overall allocation of government funds due to a lack of available data from different public institutions, support has been particularly prominent in the domains of citizenship, gender equality, combating discrimination and social inclusion since 2017 (FRA, 2021^[3]). In the framework of the Portugal 2020 Programme,¹² for example, the Commission for Citizenship and Gender Equality directed resources towards the promotion of human rights and social inclusion to mitigate the effects of the COVID-19 pandemic. EUR 22 million were allocated as part of the programme to more than 200 initiatives led by CSOs working on a variety of issues (Figure 4.4).

More recently, the government launched a EUR 270 000 fund for organisations working on gender equality, combating female genital mutilation and the rights of LGBTI persons to support the implementation of commitments within the National Strategy for Equality and Non-Discrimination.

Figure 4.4. Disbursement of funds for civil society organisations in the framework of the Portugal 2020 Programme



Source: FRA (2021^[3]), Legal Environment and Space of Civil Society Organisations in Supporting Fundamental Rights: Portugal, https://fra.europa.eu/sites/default/files/fra_uploads/franet_portugal_civic_space_2021.pdf.

These federal government funds are complemented by substantial contributions from the EU and the financial mechanism of the European Economic Area (EEA Grants). Notably, international sources play a fundamental role in the sustainability of the sector and are channelled by intermediate government institutions through the aforementioned open calls (Casanova, Guerreiro and Pervova, 2018^[22]). For example, as part of the EEA Grants programme, the Commission for Citizenship and Gender Equality oversaw the implementation of 22 projects in Portugal led by CSOs on combating sexual segregation, discrimination, social inclusion and gender equality from 2017 to 2022 (FRA, 2021^[3]). Some of the largest foundations in Portugal (i.e. the Gulbenkian Foundation and the Bissaya Barreto Foundation) have also managed over EUR 11 million from the EEA Grants Active Citizen Programme and provided direct technical support for the professionalisation of the sector (Gulbekian Foundation, 2017^[32]). Nevertheless, the growing reliance on international funds has increased the complexity of open calls and channelled resources to a narrow group organisations that does not fully represent the diverse non-profit sector in Portugal (FRA, 2019^[30]; Campos Franco, 2015^[18]).

While these mechanisms have served as the main lifeline for the sector, several difficulties will need to be addressed to better support financial sustainability. First, the lack of sustainable funding and its short-term horizon have introduced a high degree of uncertainty to the work of large and small CSOs alike. This challenge has been aggravated by the limited and declining availability of funds, together with their uneven distribution across sectors that inherently leaves out important policy issues and constrains the work of CSOs (Campos Franco, 2015^[18]; FRA, 2021^[3]). Second, the fragmented and dispersed management of funds by different public institutions has introduced difficulties for these actors to be aware of and able to access these opportunities. Third, CSO stakeholders during OECD interviews revealed that the open calls model to channel public funds comes with financial risks, as the slow transfer of funds often forces these actors to incur a debt upfront to commence project activities and reach milestones within short

time frames.¹³ These transfers are also at times conditional on the completion and impact of certain activities, which introduce high degrees of uncertainty and risk for CSOs. Fourth, economies of scale tend to pre-determine, to a large extent, the organisations that can benefit from these public funds (Casanova, Guerreiro and Pervova, 2018^[22]). Indeed, the availability of robust capacities and resources to apply for these complex tenders are important factors inhibiting smaller organisations from applying for them. Together, these challenges show the need to facilitate access to a more diverse pool of resources, in particular to address the existing over-dependence of the sector on ad hoc, short-term and fragmented source of funding. The government could reflect on the good practice of Estonia and consider creating a comprehensive foundation for supporting CSOs by providing funding, trainings, consultation and exchange opportunities to build the capacity and sustainability of CSOs (Box 4.2).

Box 4.2. CSO capacity building in Estonia – the National Foundation of Civil Society

The National Foundation of Civil Society (NFCS) is a state-financed fund to support CSOs and build their capacity to pursue their objectives, with the aim to create a strong and sustainable civil society. The Foundation was established in 2008 and has been the main organisation to carry out the Estonian strategy to promote an enabling environment for CSOs (Estonian Civil Society Development Concept) through Civil Society Development Plans, its five-year governing documents.

NFCS provides funding through open calls for proposals with the purpose to strengthen the operational capacity of CSOs, regardless of their field of activity. Annually, it distributes about EUR 1 million and supports more than 100 projects and initiatives. In addition, NFCS support research on civil society and mediate international funding programmes to help Estonian CSOs apply and qualify for additional funds. In cooperation with regional governments and development centres, it also supports CSOs by providing consultation on a variety of topics, such as how to start an NGO, how to apply for funding and how to become a sustainable organisation. NFCS funds the development of skills such as improving leadership, communication, social entrepreneurships, advocacy, achieving impact and international cooperation with other CSOs. Further, it offers training courses and opportunities for CSOs to exchange experiences. To support innovative ideas, NFCS has a special acceleration and funding programme, NULA, focused on solving societal problems in Estonia.

Source: Government of Estonia (n.d.^[33]), National Foundation of Civil Society, <https://kysk.ee/en/>.

A good practice to channel government funds has been the establishment of formal co-operation agreements with organisations delivering public services in the social security and health sectors. With the growing reliance on the work of private institutions and NGOs such as Holy Houses of Mercy (Misericórdias Portuguesas), these agreements are developed every two years by the Ministry for Solidarity, Employment and Social Security; the Ministry of Health; and other relevant public institutions to provide more consistent and predictable sources of funding (FRA, 2017^[20]; Casanova, Guerreiro and Pervova, 2018^[22]). These mechanisms define a set amount of the state's financial support according to the different types of social responses to be employed, such as supporting child and youth homes, managing centres for the elderly, providing temporary housing and medical support. In the latest 2021-22 protocol, support by the Social Security Institute increased by 3.6% for solidarity responses, amounting to a total value of EUR 8 million (as per Clause II of the agreement), including funding for initiatives on employment, health, education and early childhood development and protection¹⁴ (Government of Portugal, 2021^[34]). While this model has been successful, stakeholders during OECD interviews revealed that these mechanisms still have their limitations, in particular as funds are at times insufficient and difficult to renegotiate in the case of unexpected price fluctuations (e.g. of oil prices, medical equipment).¹⁵ Access to these protocols is also limited in number, often excludes advocacy and watchdog types of organisations, and imposes burdensome procedures that may discriminate against smaller CSOs that are not part of unions or national platforms.

Financial resources allocated by subnational governments have also historically represented a lifeline for the survival of small and local CSOs. Stakeholders during OECD interviews noted that municipalities cover fees for the constitution of new organisations and provide ad hoc funding opportunities to support the delivery of local programmes.¹⁶ In the context of the COVID-19 pandemic, these actors have provided significant financial support considering the difficulties faced by the non-profit sector to fundraise. In 2020, the municipality of Torres Vedras, for example, established an emergency fund of approximately EUR 2 million to support the operation of local CSOs, as well as other actors, to enable their contributions to crisis response and recovery measures and to relieve economic pressures from the crisis (Municipality of Torres Vedras, 2020^[35]; 2020^[36]). Nevertheless, the availability of local funding remains uneven across regions and is less prominent in smaller and poorer parishes.¹⁷ Given their proximity to citizens, enabling a co-ordinated approach with subnational governments to expand localised sources of funding could better support smaller CSOs in representing marginalised communities and providing services that are not offered at present. As discussed in Section 4.1.2, such arrangements could be part of a national strategy to better support the sector.

At the same time, private donations have also been an important source of income for certain CSOs in Portugal. While these sources represent a smaller share of the overall funding available to the sector, studies reveal that individual contributions significantly outweigh those from corporations in comparison (Casanova, Guerreiro and Pervova, 2018^[22]; Campos Franco, 2015^[18]). As per Law No. 16/2001 (Assembly of the Republic of Portugal, 2001^[12]), individuals can allocate part of their income tax return to organisations, “equivalent to a 0.5% quota of the personal income tax paid on the basis of annual returns” or “any other discretionary amount as long as it is indicated in the personal income statement”. This process is centralised by the Portuguese Tax Authority, which compiles and subsequently publishes a list of eligible CSOs. Organisations that can benefit from this modality must have the “public utility” designation and include religious institutions, private social security institutions, environmental organisations, cultural associations and youth organisations.¹⁸ CSOs undertake seasonal campaigns in order to benefit from these contributions. During OECD interviews, the government reported that the number of organisations using this system has increased, with 4 200 receiving individual donations in 2019 compared to 3 400 in 2016. Nevertheless, there is a long road ahead to ensure that large and small organisations alike can access this support. CSO stakeholders during OECD interviews underlined that most funding goes to big organisations, there is a high degree of competition and the process to access this mechanism is burdensome.¹⁹ The government could therefore focus efforts on improving access to this type of funding including by developing information packages (e.g. flyers, guidelines, a portal) and undertaking targeted communication campaigns to raise awareness on how to access these types of funds. In addition, the government could consider increasing the quota of the personal income tax returns that can be allocated to CSOs.

With the Guiding Principles introducing a paradigm shift to place citizens at the front and centre of public services, the government of Portugal could use this reform momentum to reflect on the needs of the sector and identify avenues to address the aforementioned challenges (Table 4.1). Efforts in this regard will be of particular importance, as the successful implementation of this methodology will depend on the ability of CSOs to continue delivering high-quality services and serving marginalised groups.

In particular, efforts would benefit from collecting and centralising up-to-date data on funding for the sector and the available opportunities for financial support. The lack of consolidated data on funding sources for CSOs, including from within the government, has made it difficult for ministries and other state institutions to identify gaps and assess support that is available across a wide breadth of funding mechanisms. As in many OECD Members, the absence of systematic data collection together with an up-to-date overview of the available funds makes it difficult to strengthen existing disbursement mechanisms and to monitor funding trends (OECD, 2022^[1]). To promote a more strategic approach to supporting CSOs, the government of Portugal could consider collecting, centralising and publishing information from different ministries by funding modality, type of support and area of focus. To ensure this information is accessible,

public authorities will ultimately need to address the existing administrative burdens inhibiting the operation of these actors, which will be assessed in depth in the following subsection.

Table 4.1. Overview of obstacles for the civil society sector in Portugal to access funding

Type of funding	Main obstacles
Government funding	<ul style="list-style-type: none"> • Over-reliance of CSOs on this type of funding. • Insufficient resources disbursed. • Short-term time frame of funding. • Low levels of awareness due to the ad hoc, fragmented and disjointed nature of available funding opportunities. Communication around these opportunities is limited and dispersed. • Allocation of funding to a limited list of priority policy issues. • High-risk financing modality introducing the need to incur a debt upfront and conditioning the transfer of funds upon the completion of project activities. • Access to funds predetermined by economies of scale. • Complex application process to access funds. • Administrative burdens.
International funding	<ul style="list-style-type: none"> • Accessed is through open calls managed by government institutions. • Burdensome processes that can favour long-term and large-scale projects. • Limited scope of policy issues that does not represent the diverse Portuguese sector. • Limited support from foundations.
Donations from individuals	<ul style="list-style-type: none"> • High degree of competition. • Only organisations with the “public utility” designation can benefit from this type of funding.
Donations from the private sector	<ul style="list-style-type: none"> • Very limited in number. • Incentives for corporations to donate have decreased in light of the negative economic impacts of the COVID-19 pandemic. • Absence of tax incentives for corporations to provide funding for CSOs

Source: Author’s elaboration.

Administrative requirements

The government has made important efforts to simplify administrative procedures for the registration of CSOs in recent years. In a positive step, as part of the SIMPLEX programme, the administration has introduced reforms to facilitate the legal constitution of NGOs as part of the Association in an Hour Programme (Associação na Hora) (Government of Portugal, n.d.^[37]). Through 176 civil registry offices, notaries and Citizen Shops, CSOs can be created in less than an hour in a single location (FRA, 2021^[3]).

However, challenges persist in relation to administrative obligations. Various obstacles impact large and small organisations alike in their ability to be legally constituted, access funding, regularise their fiscal activities – pay taxes on time, have a fiscal number – and benefit from tax exemptions²⁰ (OECD, 2022^[1]). Indeed, the lengthy and at times unclear nature of bureaucratic procedures can have serious repercussions not only on the livelihood of the civil society sector, but also on the availability and quality of social services that have been traditionally co-delivered with these actors.

With the rapid expansion of the sector in Portugal, laws and regulations governing its functioning have increased in number and complexity. The scattered and intricate interplay of requirements regulating the legal constitution and activities of different types of CSOs has generated confusion on the steps to register and other formal obligations (EU, 2010^[38]). While the process to legally constitute a non-governmental association has been simplified, for example, some actors must still undertake additional registration procedures in order to operate. Although it is not a focus of this review, a clear example is the NGDO sector, where organisations must undergo an extensive process regulated by Law No. 66/98 to be recognised once constituted and apply for a renewal application every two years. Among the requirements, NGDOs must provide a deed of establishment, a copy of the announcement by the government on its creation, an activity plan and proof of financial sustainability (Camões Instituto da Cooperação e da Língua,

2021^[39]). Private social security institutions that support the delivery of social services and programmes must also undertake a similar lengthy process with the Social Security Institute²¹ (Government of Portugal, 2014^[19]). To remedy this problem, the government could consider conducting a thorough legal review, in consultation with CSO stakeholders, to identify superfluous and overlapping legislation, as well as simplify the legal framework where possible to avoid confusion, potentially by merging requirements in a more comprehensive, simplified framework.

The introduction of fees has also discouraged the creation and operation of small CSOs. The “Association in an Hour Programme” requires the payment of a fee – depending on the nature of the organisation being registered – of up to EUR 300, for example.²² This is a key precondition for these actors to apply for and access public funding (Government of Portugal, 2019^[40]). The use of fees, thus, not only risks discouraging small CSOs from registering, but also poses barriers to the financial sustainability of the sector (OECD, 2022^[11]).

Complex processes to regularise fiscal activities and benefit from tax exemptions also pose risks to the livelihood of certain CSOs. With limited structures and personnel, CSOs often face difficulties in complying with social security and tax legislation, given the complexity of these processes and the various legal restrictions that do not account for organisations that operate on a voluntary basis. This is especially problematic for small organisations that do not have the staff or knowledge to apply for the public utility status nor comply with the fiscal and administrative requirements. Indeed, a general remark from CSOs during OECD interviews was the lack of distinction between the non-profit and the private sector, with the non-profit sector often bound by similar fiscal obligations.²³ There is an opportunity to identify and adjust specific tax incentive regimes and fiscal reporting procedures to the needs and capacities of smaller CSOs.

Challenges were also raised regarding obligations introduced with the adoption of the Central Register for Effective Beneficiaries under Law No. 89/2017 (Assembly of the Republic of Portugal, 2017^[41]) and as part of broader commitments towards preventing money laundering and the financing of terrorism. Notably, this database is a welcome step towards greater transparency, as it seeks to gather “sufficient, accurate and up-to-date information about the legal individual(s) who have ownership or effective control of the entities subject to it”. It requires CSOs to register the information of managers, directors and beneficial owners. As part of this process, local organisations have nevertheless underlined increasing burdens, difficulties in identifying a specific individual or group of beneficiaries, the lack of distinction between for-profit and non-profit organisations and insufficient clarity in terms of the content and form of compliance of obligations (CIVICUS, 2019^[42]). This can be especially problematic given that failure to comply may result in a fine of between EUR 1 000 and EUR 50 000.

4.2. The right to participate in decision making: A review of key governance frameworks, tools and practices

Stakeholder and citizen participation in decision making, including in public service delivery and design, is facilitated by having: the right enshrined in the Constitution and relevant legal frameworks; adequate institutional and policy frameworks to foster and enforce participation; and the mechanisms and tools available to empower rights holders, including marginalised groups.

Box 4.3. The OECD concept of participation

The OECD defines participation as “all the ways in which stakeholders can be involved in the policy cycle and in service design and delivery” (OECD, 2017^[2]). It thus refers to public institutions’ efforts to communicate (information), hear (consultation) and integrate (engagement) the views, perspectives and inputs from stakeholders and citizens into policies and services. To foster participation, Provisions 8 and 9 of the OECD *Recommendation on Open Government* (OECD, 2017^[2]) invite Adhering countries to:

8. “Grant all stakeholders equal and fair opportunities to be informed and consulted and actively engage them in all phases of the policy cycle and service design and delivery [...] specific efforts should be dedicated to reaching out to the most relevant, vulnerable, underrepresented or marginalised groups in society, while avoiding undue influence and policy capture”; and

9. “Promote innovative ways to effectively engage with stakeholders to source ideas and co-create solutions and seize the opportunities provided by digital government tools [...]”. (OECD, 2017^[2])

Participation is not a linear concept and has different modalities, degrees of involvement and impact. The OECD distinguishes three levels of participation according to the level of involvement:

- **Information:** an initial level of participation characterised by a one-way relationship in which the government produces and delivers information to stakeholders. It covers both on-demand provision of information and “proactive” measures by the government to disseminate information.
- **Consultation:** a more advanced level of participation that entails a two-way relationship in which stakeholders provide feedback to the government and vice versa. It is based on the prior definition of the issue for which views are being sought and requires the provision of relevant information, in addition to feedback on the outcomes of the process.
- **Engagement:** when stakeholders are given the opportunity and the necessary resources (e.g. information, data and digital tools) to collaborate during all phases of the policy cycle and in service design and delivery (OECD, 2017^[2]).

Source: OECD (2017^[2]), Recommendation of the Council on Open Government, <https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0438>.

4.2.1. Legal, policy and institutional frameworks governing participation in service design and delivery

An enabling environment for stakeholders and citizens to participate in the policies and services that affect their lives requires robust legal, policy and institutional frameworks. Complementing the constitutional right to participation, Portugal has adopted relevant legislation that enables participation in different aspects of public life, including in the service cycle. While these legal commitments have effectively increased the number and variety of stakeholders involved, the disjointed policy frameworks and fragmented institutional ownership of the participation agenda, both of which are discussed below, hinder their impact and potential.

The legal framework governing participation

In Portugal, the right to participation in public life is firmly grounded in the Constitution and safeguarded in legislation. The people exercise political power through universal, equal, direct, secret and periodic suffrage; by referendum; and through other forms specified in the Constitution (Library of Congress,

2021^[41]). Importantly, Article 109 recognises that “the direct and active participation of men and women in political life is a fundamental condition and instrument for consolidating the democratic system”.

Two government decrees are particularly important for stakeholder and citizen participation more generally in service delivery and related policymaking. Decree-Law No. 135/99 (Government of Portugal, 1999^[43]) establishes measures for administrative modernisation, including those for receiving compliments, complaints and suggestions from users, in view of assessing the quality, suitability, waiting time and cost of a service. The decree also includes evaluation measures by users of the public service locations and lines, the public administration portals and websites, as well as the different types of communication with the administration, such as telephone helplines and the citizen’s line, which is a single number giving access to all public services provided by the central public administration. Furthermore, it recognises the right of users to request a progress report on the administrative procedures concerning them, orally or in any written form, including by email or by submitting a request at the electronic one-stop shop, on portals or websites of the competent services or bodies. This decree applies to all services provided by the central, regional and local administrations, as well as to other entities providing services with public funds. Decree-Law No. 274/2009 (Government of Portugal, 2009^[44]) regulates procedures on consultations on legislation and policy that fall under the government’s authority. It defines two modalities for consultations: direct consultation, which is carried out with specific stakeholders on an issue relevant to them; and public consultation, which is conducted through the publication of draft legislation on a government portal, accompanied by an explanatory note, whereby any citizen can provide comments and input within a specific timeframe.

The policy framework governing participation

Portugal’s high-level political commitment to foster the implementation of participation practices in public services (Section 1.3 in Chapter 1) is supported by a diverse set of policy documents, including strategies, road maps and plans. Importantly, this commitment is reiterated in the Guiding Principles where Portugal calls on public sector providers to promote participation at all stages of the process, particularly from excluded or disadvantaged groups, as well as developing right-holders’ and duty-bearers’ capacities, specifically:

Principle 1: When designing a new service, it should be ensured that citizens are involved at all stages of the process, whether in the research, co-creation or new service piloting and monitoring, ensuring that it avoids inequalities, discriminatory practices or unfair power relations that may promote fundamental rights alienation.

Principle 8: To guarantee stakeholders’ empowerment, it is crucial to ensure that duty-bearers have the knowledge, mandate, resources and willingness to fulfil their obligations and that right-holders know, in turn, how to claim them and who they can hold responsible for any gaps, ensuring accountability, transparency, participation and non-discrimination. (Government of Portugal, 2021^[28])

Another measure that reflects the government’s commitment is the recent adoption of Resolution No. 130/2021 establishing National Participation Day, which was first celebrated on 27 January 2022 (Presidency of the Council of Ministers, 2021^[45]). Participation is also enshrined in several policy documents guiding government action. For instance, one of the objectives of the Strategy for Innovation and Modernisation of the State and Public Administration 2020-2023 is to encourage informed citizen participation, with measures that include promoting electoral participation and launching a new model of participatory budgeting in Portugal (AMA, 2020^[46]). Other policy documents fostering participation include the National Strategy to Fight Corruption (2020-2024) (Government of Portugal, 2020^[47]), the National Strategy for Digital Transformation in the Public Administration, and the SIMPLEX programme for 2020-2021 (Government of Portugal, 2020^[48]). Importantly, the Transformar (transform) Programme, which promotes administrative modernisation and is managed by LabX, has a dedicated focus on participation, in addition to public service innovation and administrative simplification. Through the programme, the government aims at “developing a broad and inclusive participatory ecosystem and systematically

incorporating it into public management, in each organisational and cultural context”, which it considers fundamental to enhancing innovation (LabX, n.d.^[49]). While this programme has great potential in terms of embedding participation in the Portuguese public administration, it is still in its early stages and it remains to be seen what specific initiatives will be put in place to achieve the aforementioned objective.

Sectoral policy documents also play an important role in promoting participation in decision making concerning public services, such as the National Strategy on the Rights of the Child (2021-2024), the National Implementation Plan of the Global Compact for Migration (adopted in 2019), and the National Strategy for Equality and Non-Discrimination (2018-2030). These documents were not only elaborated in a participatory manner, but also tailored to include actions that increase the access and engagement of stakeholders in the service cycle.

Participation is an integrated part of the efforts by the Portuguese government to move towards a more open government. As discussed in Section 1.3 in Chapter 1, an important milestone in this regard was the adherence of Portugal to the OGP in 2017. Currently in the implementation phase of its 2nd Action Plan (2021-2023), the OGP represents an important means for the government to promote stakeholder participation and shape related commitments in different policy areas. Examples of relevant outcomes for participation from the 1st Action Plan are the elaboration of the [ConsultaLex.gov](https://www.consulta.lex.gov) platform and the organisation of the open government week to increase awareness of the principles of transparency and participation (Government of Portugal, 2018^[50]). Currently, the 2nd Action Plan has two commitments related to fostering participation in public services: Commitment 3, on developing inclusive service channels for accessing public services; and Commitment 9, on promoting civic participation by boosting access to information (Government of Portugal, 2021^[51]). However, both action plans have focused more on transparency measures, such as open data and access to information than on advancing the participation agenda as a whole.

In sum, Portugal has made considerable efforts to embed participation in high-level policy frameworks, yet these efforts remain disjointed. While various policy documents all aim to further participation in their specific areas of implementation, there is a lack of coordination and central steering of the participation agenda. There is, thus, an opportunity to develop a comprehensive participation strategy or plan to help steer the government’s vision while setting long-term objectives and milestones, improve coordination and monitor progress, possibly as part of a broader strategy supporting the civil society sector.

The institutional framework governing participation

The institutional setting for stakeholder and citizen participation differs across OECD Member and partner countries. In most countries, these responsibilities are decentralised, with several offices sharing the mandate (OECD, 2022^[1]). In Portugal, institutional responsibilities for participation are mainly linked to efforts to move towards more digital and data-driven service delivery, which are led by the Portuguese Administrative Modernization Agency (AMA). AMA used to be integrated in the Presidency of the Council of Ministers (previously called the Ministry of the Presidency and Administrative Modernisation) but was transferred to the newly created Ministry of State Modernisation and Public Administration, under the Prime Minister, in 2019. One of AMA’s strategic objectives for 2021-23 is “Promoting the openness of public administration, reinforcing participation and transparency” (AMA, 2020^[52]) and its three action areas – public service delivery, digital transformation (and simplification) and participation – put it in a unique position to lead this cross-sectoral agenda. Crucially, AMA is in charge of the implementation of the SIMPLEX programme and the Portugal Participatory Budget as well as the co-ordination of the OGP process. This includes a multi-stakeholder forum, composed of ten entities from the public sector and civil society whose mandate is to ensure the implementation of the OGP Action Plan. Furthermore, AMA is responsible for managing the network of Citizen Spots and Citizen Shops (Box 3.6 in Chapter 3). Through LabX, it also oversees the implementation of the Transformar Programme and leads the development of several participatory mechanisms such as ePortugal.gov and [Transparência.gov](https://Transparencia.gov) (Section 4.2.2).

Individual ministries, such as health and education, also have a key role to play in their respective sectors (Government of Portugal, 2022^[53]). The current Government Programme notes that public participation in the life of health services is essential as it allows citizens “to become active agents in the management of their pathways in the health services, promotes the organization of civil society associations that represent the interests of users and contributes to a culture of transparency and accountability”, for example. The government has pledged to promote greater citizen participation in the continuous improvement of health services, including through users’ associations and satisfaction surveys to promote active participation in decision making. Similarly, in the education sector, the government has pledged to focus on promoting youth participation.

The advisory groups of ad-hoc oversight mechanisms in thematic policy areas are also key players in the institutional architecture of participation in Portugal. These bodies are composed of a variety of stakeholders from the public sector and civil society that are relevant to each policy area. Examples include the Commission for Citizenship and Gender Equality (CIG) and the three advisory groups of the High Commission for Migration (ACM): the Council for Migration, the Consultative Council for the Integration of Roma Communities and the Commission for Equality and against Racial Discrimination (Section 3.6 in Chapter 3). Charged with the elaboration, implementation and monitoring of relevant policy documents, these groups are particularly important in terms of ensuring inputs and perspectives from marginalised groups in the elaboration of thematic strategies and action plans.

While public institutions routinely conduct participatory practices, most lack a designated mechanism to lead and co-ordinate related activities. As a result, public officials reported that although there is a strong willingness to engage stakeholders in policies and services, institutions and personnel lack the skills, capacities and guidance to do so and also have a limited understanding of the existing legal and policy frameworks in that regard.²⁴

To conclude, the institutional architecture has enabled the elaboration of policy frameworks and mechanisms that have effectively increased the engagement and variety of stakeholders involved in service design and delivery (Section 1.2 in Chapter 1). While AMA acts as an important anchor for participation initiatives related to public services and digital transformation, that is recognised by stakeholders, it lacks the resources and high-level backing that would enable it to adequately promote this agenda across relevant public institutions and with the necessary buy-in from other ministries. There is, thus, a need to further institutionalise stakeholder participation in service design and delivery, to build up the knowledge and skills of public officials, and to clarify roles to avoid any duplication of efforts and ensure a more integrated approach. This can be achieved with strengthened coordination and further clarification on the roles and responsibilities of the various institutions. The centre of government could empower AMA by communicating its mandate on participation more widely across the ministries and ensuring it has the tools and political backing to fulfil its role. It could also assign a coordination role to a well-placed institution with the responsibility of convening the actors who engage in participation initiatives, including those related to services, to share learning and experiences, promote joined-up activities, and encourage collaboration among relevant actors.

4.2.2. Mechanisms and tools

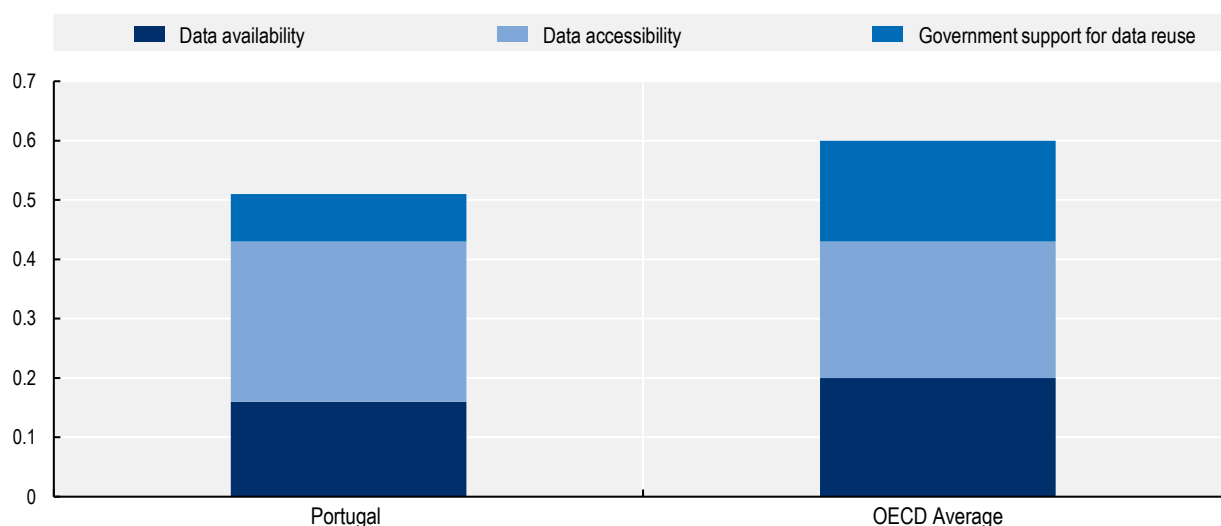
Building on the aforementioned frameworks, the government of Portugal has elaborated a wide variety of mechanisms and tools to consult stakeholders and citizens. The following section provides an overview.

Information mechanisms

This initial, highly crucial level of participation (Box 4.3) is often shaped by relevant laws on ATI, as they cover both the provision of information based on requests and proactive measures to disseminate information (Section 3.4.2 in Chapter 3). As part of information-sharing efforts, in 2018 the government released a new version of the open data portal ([dados.gov](https://dados.gov.pt)), the first centralised catalogue for open data

in Portugal where users can directly access and reuse public data sets from different public bodies and sectors. Nevertheless, as Chapter 3 highlights, Portugal currently ranks 23rd out of 34 countries on the 2019 OURData Index, with an overall score of 0.51, below the OECD average of 0.60 (OECD, 2019^[54]). As Figure 4.5 illustrates, while there has been progress in terms of data accessibility, Portugal ranks below the OECD average in terms of data availability and, importantly, in government support for data reuse. Efforts to sustain and scale impact will thus be crucial moving forward.

Figure 4.5. Portugal's score on the OECD OURData Index, 2019

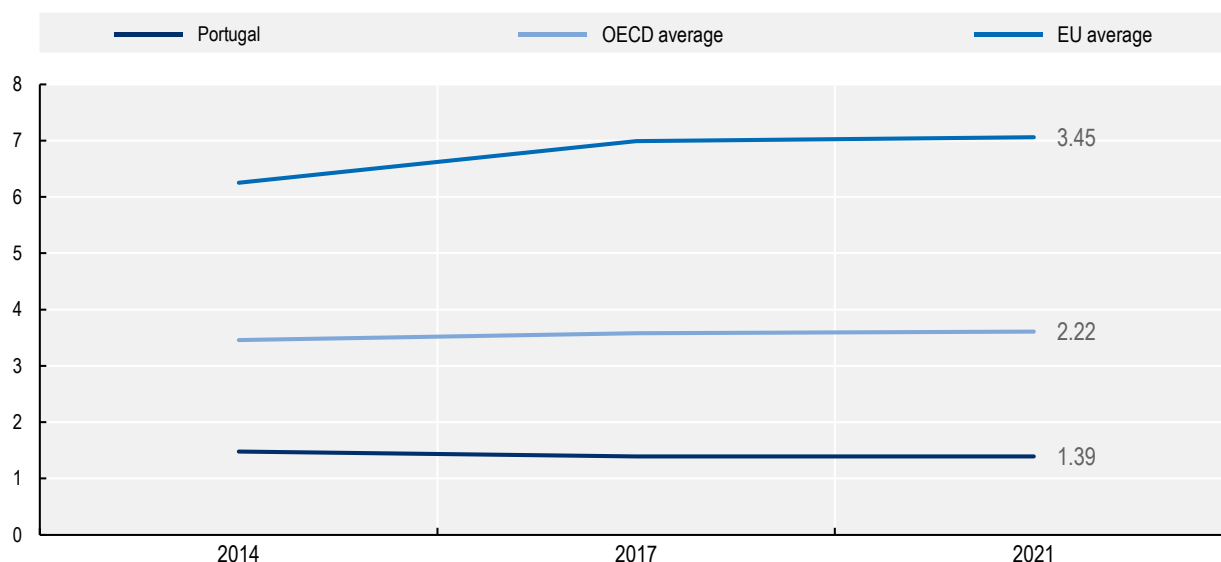


Source: OECD (2019^[54]), OECD OURdata Index (2019): Portugal country note, <https://www.oecd.org/gov/digital-government/ourdata-index-portugal.pdf>.

Portugal has also recently taken steps to develop portals for the proactive publication of sectoral information. One relevant example is the [Transparência.gov](https://transparencia.gov.pt) portal, which provides access to data and information on public funds, investments and other public contracts, both on the state budget and on European funds, including those on Portugal's Recovery and Resilience Plan (Government of Portugal, n.d.^[55]). The portal also offers infographics, indicators and a glossary to explain the terms used. Other thematic portals offer similar information on health, with a variety of information and data of the national health system (National Health Service, n.d.^[56]); on justice, with the publication of data, indicators and statistical information on the justice system (Ministry of Justice, n.d.^[57]); and importantly, on procurement, with the [Base.gov](https://base.gov.pt) portal publishing contracts for service provision to the state, allowing their follow-up and monitoring (IMPIC, n.d.^[58]). While these portals are a step in the right direction, there is limited use and awareness among stakeholders.

Consultations on legislation and policies

Portuguese stakeholders and citizens have a range of opportunities to provide feedback on new legislation and policies. For legislation, the government developed the [ConsultaLex.gov](https://consulta.lex.gov.pt) platform in the framework of the 1st OGP Action Plan. The platform allows citizens and stakeholders to participate in the legislative process – which can relate to services such as health, education and social security – and the possibility to formulate suggestions and accompany the evolution of particular regulations until the final approval phase. To date, the platform has gathered 3 714 comments in 224 public consultations on regulations (ConsultaLex.gov^[59]). However, according to the OECD's Indicators of Regulatory Policy and Governance (iREG), as seen in Figure 4.6, the level of stakeholder participation in primary laws is 1.39 (on a scale of 0-4); lower than the OECD average of 2.22 and the EU average of 3.45 for 2021 (iREG, n.d.^[60]).

Figure 4.6. Average stakeholder engagement in primary laws in Portugal

Source: iREG (n.d.^[60]), OECD.stat: Regulatory governance, <https://stats.oecd.org/Index.aspx?QueryId=85336>.

As mentioned above, consultations are also held on the elaboration of policy documents, as is the case in most OECD Members. Increasingly, a variety of stakeholders are systematically consulted concerning both national and sectoral policies, allowing the strategies and action plans to better reflect the challenges and needs of the target population. For instance, Roma, migrants and CSOs were widely involved in the elaboration of the National Strategy for the Integration of Roma Communities and the Strategic Plan for Migration, respectively. This practice was highlighted by both public officials and CSOs during the fact-finding mission as an area to expand in every policy and service area, as it helps to increase buy-in and effectiveness.²⁵

Participatory methods that are specific to public services

As provided by Decree-Law No. 135/99, users are informed and consulted in a variety of ways about public services (Section 4.2.1). One method is AMA's online platform (participa.gov) that allows users to provide feedback. In line with EU standards on usability and accessibility, AMA also conducts consultations with end users of its online platforms, which often relate to public services. For instance, in the framework of the SIMPLEX programme, LabX consults users of the ePortugal.gov portal to identify avenues for improvement. Another example is the Usability and Accessibility Seal, which categorises the degree of compliance by bronze, silver and gold, respectively (INR, n.d.^[61]) (Section 3.5.3 in Chapter 3). More broadly, all portals have feedback mechanisms. LabX also conducts ad hoc initiatives that aim to embed citizen participation and co-creation in the design and testing of public services, for example with language simplification workshops aimed at making public documents more accessible for citizens (LabX, 2021^[62]).

Regarding off-line methods, each service provider has a physical complaints book called the Yellow Paper Book and a box to receive complaints, compliments and suggestions. More recently, the government developed an online version of the physical book called the Electronic Yellow Book (Livro Amarelo Eletrónico). It works as a centralised online portal where stakeholders and citizens can also submit feedback regarding public services. In 2021, the government updated the portal for electronic complaints in order to make it more user-friendly (Government of Portugal, 2021^[63]). Whether a complaint is submitted online or off line, service providers are obliged to respond with due justification, and if applicable, on the

measures taken or to be taken, within a maximum of 15 days. In addition, AMA conducts ad hoc onsite user feedback sessions in Citizen Shops and Citizen Spots (Box 3.6 in Chapter 3).

Beyond what is mandated by law and the ad hoc consultations on in-person services and online platforms, there is no systematic monitoring of who is – and who is not – accessing services and providing feedback. While CSOs regularly take part in consultations, there is an opportunity to enhance the partnership between these actors and public service providers, and in particular to translate the nine Guiding Principles into action.²⁶ The lack of meaningful participation opportunities was the most frequently noted concern regarding the enabling environment for CSOs in the OECD’s public consultation for this Review.²⁷ As highlighted in Section 5.3.2 in Chapter 5, the absence of effective mechanisms for the involvement of users that systematically integrate their feedback in public service design makes participatory outcomes dependent on individuals and their personal workloads, levels of interest, context and time. More broadly, as Portugal considers the future of services in general, it will be important for the associated service design and delivery mechanisms to continually engage users in testing, iterating and improving services, including to understand challenges related to accessibility and institutionalising these processes to make them a standard feature in the development and improvement of services.

Participatory budgeting

Consultation also takes place in the regular budgetary cycle, including on the budget allocated to service provision. Among the different types of innovative citizen participation that exist, Portugal has been a champion of participatory budgeting. Since the early 2000s, it has been practicing participatory budgeting at the municipal level and has one of the highest rates of local participatory budgets in the world (Falanga, 2018^[64]). In 2017, it conducted the first nationwide participatory budget (OECD, n.d.^[65]), called the Participatory Budget of Portugal initiative, which has since become a yearly exercise. It has also supported the development of a yearly Participatory Budget for Youth (Government of Portugal, n.d.^[66]). According to the Open Budget Survey of the International Budget Partnership (IBP), Portugal’s score (17/100) is higher than the global average (14) but lower than the OECD average (21) in terms of public participation in the different stages of the budget process. The reason for the low score is that the Participatory Budget initiative only applies to a designated amount of the total budget. In addition, although citizens and stakeholders are able to participate in a hearing before the approval of the budget by the National Assembly, participation is not possible in the formulation of the full budget proposal, or the monitoring of its implementation. On budget transparency, Portugal scores higher (60/100) than the global average (45) but slightly lower (66) than the OECD average. A score of 61 or above indicates that enough material is published to support informed public debate on the budget (IBP, 2021^[67]).

To facilitate engagement in participatory budgeting processes, the government developed the [Participa.gov](https://participa.gov.pt) online platform as part of the SIMPLEX programme. The platform aims to support participatory budgeting processes by providing citizens with the opportunity to submit proposals and decide through their vote, using secure and reliable technologies such as Blockchain. To facilitate its use by public institutions, the government, through LabX, provides methodological tools for its implementation with the Kit “AP Participates” (LabX, 2021^[68]).

More innovative citizen participation practices

Public authorities at all levels of government across OECD Members have been using citizens’ assemblies, juries, panels and other representative deliberative processes to better understand their priorities and concerns over the last decades. For these processes, governments assemble ordinary citizens from all parts of society to deliberate on complex political questions and develop collective proposals. In fact, the recent OECD report *Innovative Citizen Participation and New Democratic Institutions* found that a significant percentage of these take place at the local level (52%) (2020^[69]). In Portugal, the Citizen Science

in Oeiras is a prominent example. Led by the Citizens' Forum in partnership with the Municipality of Oeiras and two research centres, the first deliberative forum was held in 2020 under the theme "How can we improve Oeiras through science?" (Citizens' Forum, n.d.^[70]). Other local examples can be found, most notably through the efforts of the Network for Participative Municipalities (Rede de Autarquias Participativas). Across its 60 members, the network aims to promote participatory democracy by facilitating good practice experiences, strengthening current participatory practices and supporting the creation of new mechanisms for citizen participation. It also promotes the empowerment of actors involved in participatory processes (RAP, 2022^[71]).

4.2.3. Implementation challenges and opportunities

While the government's efforts are notable and have indeed advanced the participation agenda in several policy areas (Section 1.3 in Chapter 1), there is a limited culture of participation, including political participation, in Portugal. This is reflected in several international rankings. Whereas in most areas related to democracy and civic freedoms Portugal is a top performer, it lags behind on participation. For instance, in V-Dem's Liberal Democracy Index, Portugal's score on the participatory component²⁸ is 42/179, below OECD and EU Members such as France, Greece and Spain (V-Dem Institute, 2023^[72]). Similarly, according to the Economist's Democracy Index 2022 component measuring political participation,²⁹ Portugal scored 6.67/10, which is the third-lowest score among western European countries (Economist Intelligence Unit, 2022^[73]). Challenges and opportunities that are specific to service design and delivery are discussed below.

Strengthening communication and feedback

Public communication plays a critical role in safeguarding an open interface between the state and its citizens. As argued in the *OECD Report on Public Communication*, internal communication efforts can help to sensitise public officials on the importance of participation in policymaking while disseminating guidelines, standards and procedures to incentivise the uptake and effectiveness of consultations. Public communication also plays an essential role in ensuring that stakeholders can engage with their government on issues that matter the most to them (OECD, 2022^[1]).

The Portuguese government uses both formal and informal means to communicate internally, with public officials, and externally, with stakeholders and citizens, on the existence of participation initiatives. Concerning services, for instance, formal events are held to present initiatives and communication is carried out on institutional and government websites, the responsible entities' social networks, and through press releases and interviews in the media, both nationally and locally. For instance, information from the Participatory Budget of Portugal initiative is released on social media (e.g. Facebook, Instagram) and is also communicated through the websites and social media of the entities involved. There are also many events across the country, the main ones being attended by high-level government representatives, and communication campaigns to raise citizens' awareness.

Despite these efforts, interviews from the fact-finding mission revealed that in practice, communication efforts either do not reach all target groups or are often provided only a few days before an event takes place. As a result, stakeholders have neither the time to prepare nor the required information to meaningfully participate.³⁰ When it comes to services, CSOs highlighted that they are rarely informed about how their feedback was integrated into service design.³¹ Ultimately, this discourages them from participating, as they do not feel that their feedback is used.

There is, thus, a need to ensure that public officials prepare a communications strategy for each participatory process, including on services, to foster timely information to allow more meaningful engagement, such as the purpose and the expected outcomes of an initiative, using a variety of channels to engage different demographics. Establishing effective feedback loops is also important to ensure participants that their time and efforts are taken into account, as well as to communicate with the broader

public to ensure transparency and gain trust in the decisions made. Providing clear justifications regarding inputs that are not used or implemented is key in this regard.

Strengthening inclusion and representation of stakeholders

Ensuring inclusiveness and equality for all segments of society, in particular vulnerable, under-represented or marginalised groups, is key to promoting an open government and a healthy and protected civic space. The ability of governments to be responsive to the needs of different population groups is an important determinant of public service satisfaction (Baredes, 2022^[74]) and mechanisms to collect citizen feedback and promote their engagement in the design and delivery of services are key. The government of Portugal has made efforts to engage a wider range of stakeholders; measures targeting specific groups, such as migrants, Roma and people of African descent, in both the elaboration of sectoral policy documents and in their implementation are discussed in Section 3.3 in Chapter 3. These policy plans include a variety of initiatives targeting public services in education, housing and health. As further discussed in Sections 4.2.2 in this Chapter and 5.3 in Chapter 5, AMA also has a series of initiatives to collect feedback on services from end users.

However, as highlighted by Falanga (2018^[64]), there is a lack of evaluation from both national and local participatory initiatives, and therefore a “lack of data about who is actually participating in these processes”. This was confirmed during the OECD interviews, where public officials recognised the complexity of scaling the numerous pilot projects given the limited evaluation undertaken, as well as the need to develop an omni-channel vision to ensure the quality of public services.³² This is also consistent with findings in Chapter 3, which highlight the need to identify where and why stakeholders are being discriminated against to improve access and engagement on services with targeted policies. For instance, although Decree-Law No. 135/99 requires all public sector providers to allow users to provide feedback, make suggestions and file complaints, data are rarely published or used to analyse trends, emerging needs or gaps in services. There is, thus, a need to put in place mechanisms to systematically collect data on participatory initiatives related to services as well as to widen access to them. Through ongoing monitoring and evaluation, service providers and policymakers can better understand who is being excluded from accessing and participating and take measures to address this by targeting under-represented groups.

At times, the ability to participate in a process is dependent on resources. For instance, traveling to a certain location, or accessing a complex website can be a challenge for someone with limited accessibility and digital skills. The number of parallel processes going on at the same time can also be a factor, since many stakeholders and citizens participate on top of their usual busy agendas. This leads to limited representativeness of the stakeholders and citizens who are informed and engaged. When implementing digital participatory processes and services, public authorities should always take into consideration the existing “digital divides” (i.e. people who do and people who do not have access to – and the capability to use – digital technologies) and avoid the emergence of new forms of “digital exclusion” (i.e. not being able to take advantage of digital services and opportunities), as further explored in Section 3.5.3 in Chapter 3. One way to tackle the digital divide in participatory mechanisms is to systematically propose a non-digital alternative to ensure the inclusion of digitally excluded populations. Participatory processes, as well as public services, should always aim to provide equal access and opportunities for all members of the population, and should be coordinated to limit the number of parallel initiatives competing for attention. Non-digital alternatives can be, for example, a physical vote, consultations by phone or any other in-person mechanism (workshops, kiosks, paper mail, etc.). As argued in Section 4.1, there is also an opportunity to enhance the partnership between CSOs and public service providers to increase the participation of a wider range of stakeholders and the representation of different populations groups in the design and delivery of public services.

Moreover, there is a need to tailor communication to reach a wider range of stakeholders from different population groups (i.e. youth, elderly, disabled populations). To that end, the use of audience insights can

aid in the delivery of personalised messaging and the use of adequate channels to raise awareness of a participatory process, expand its reach and support the participation of a wider range of stakeholders. For instance, younger citizens might prefer online and social media, whereas seniors might be easier to reach by post, printed newspapers or posters in their local supermarkets. Efforts should also be made to improve comprehensibility of information by promoting the use of plain language in interactions with stakeholders, in official documents and calls for consultations. For instance, additional measures could be put in place to ensure that information is easily accessible for people with special needs to guarantee that public officials are reaching all groups in society. The government could also develop good practice principles for plain language and ensure their promotion and dissemination.

Developing the necessary resources and skills

Every participatory process requires dedicated resources to be successfully implemented and result in useful outputs for decision makers. The necessary resources vary depending on the design and implementation of the process. These can be human (i.e. sufficient staff to organise the process, recruit participants, develop information resources, facilitate interactions, answer requests, communicate, analyse and synthesise the inputs), financial (i.e. cover the cost of human resources, meeting venues and catering, digital platform licenses, public communication) and technical (i.e. development of digital tools, software licenses, computers, tablets, cloud services).

Most public institutions and service providers, both at the national and local levels, reported lacking the necessary capacities and skills for implementing participatory initiatives. Most do not have a dedicated unit, team or person in charge of stakeholder and citizen participation, with the responsibility being added on to existing duties. While AMA does provide support to public bodies in implementing participatory practices, these fall short of existing needs. In addition, there is a lack of co-ordination and support across levels of government, where municipalities often face even more challenges in terms of resources and tools to engage with stakeholders.

Given the key role AMA plays in this regard, there is an opportunity to ensure it has the necessary tools and resources to co-ordinate participation practices across the public sector, in line with its mandate and objectives. Manuals or handbooks to guide public officials in the implementation of the legal and policy framework, and technical tools to facilitate the organisation of participatory processes, as well as their monitoring and evaluation could be helpful in this regard. To guide this work, *OECD Guidelines for Citizen Participation Processes* provides step-by-step guidance for citizen participation that could serve as an initial reference to be adapted to the specific context of Portugal (Box 4.4).

Box 4.4. Ten steps for planning and implementing a citizen participation process

The OECD has outlined the following ten-step path for planning and implementing a citizen participation process:

1. **Identify the problem:** The first step when deciding if citizen participation is necessary is to identify if there is a genuine problem that the public can help solve. It is also important to be clear about the stage of the decision-making process in which citizens' inputs are most valuable and can have influence.
2. **Define the expected outcome:** Before involving citizens, it is essential to have a clear understanding of the expected outcomes of the process. This means the desired type of inputs and the impact they will have on the scope of your project.
3. **Identify the relevant public to be involved and recruitment method:** The next step is identifying the public to be involved in the process, depending on the purpose. This decision will affect how the public will be selected or recruited.

4. **Choose a participation method:** Once the problem to solve, the expected inputs and the public have been identified, it is time to choose the method of participation. Many different methods can be used to engage citizens in any given context, including information and communication, open meetings/town hall meetings, civic monitoring and representative deliberative processes, among others.
5. **Choose the right digital tools:** Digital tools allow stakeholders and citizens to interact and submit their inputs in different ways and should be chosen to facilitate the participation method. In this context, existing digital divides should be taken into account and, when possible, digital tools should be used alongside in-person methods.
6. **Communicate about the process:** Clear and understandable public communication can help at every step of the way – from recruiting citizens, to ensuring the transparency of the process, to extending the benefits of learning about a specific policy issue to the broader public.
7. **Implement the participation process:** The implementation of a participation process largely depends on the method chosen. However, some general considerations include preparing an adequate timeline, identifying the needed resources, ensuring inclusion and accessibility and considering a citizen’s journey through the process.
8. **Use the input and provide feedback:** Input received from citizens as a result of a participation process should be given careful and respectful consideration with clear justifications if any input or recommendation is not used or implemented. Feedback should be given to participants about the status of the continued process and how their input was used.
9. **Evaluate the participatory process:** Evaluation allows measuring and demonstrating the quality and neutrality of a participation process to the broader public. This can increase trust and legitimacy in the use of participation processes for public decision making and can be a learning opportunity by providing evidence and lessons on what went well and what did not.
10. **Foster a culture of participation:** Support the shift from ad hoc participation processes to a culture of participation by embedding institutionalised participation mechanisms, multiplying opportunities for citizens to exercise their democratic “muscles” beyond participation, and protecting a vibrant civic space.

Source: OECD (2022^[75]), OECD Guidelines for Citizen Participation Processes, <https://doi.org/10.1787/f765caf6-en>.

Summary of recommendations on strengthening the enabling environment for CSOs and promoting participation in the design and delivery of public services

Strengthening the enabling environment for CSOs

Portugal is committed to protecting and promoting an enabling environment for CSOs. A vibrant and diverse civil society sector has historically played an important role in public service delivery, as delivery partners, watchdogs and advocates of the needs of under-represented groups. However, the civil society landscape in Portugal is undergoing profound transformations that are introducing challenges to the sustainability of the sector. To support the important contribution of CSOs to public service delivery and strengthen their participation in public decision-making processes, the government of Portugal could consider the following recommendations:

- Develop an overarching strategy or policy framework to formalise, align and scale the work with CSOs to promote an enabling environment for the sector. A dedicated strategy would support the integration of existing siloed and disjointed efforts under a whole-of-government approach to maximise their reach, impact and sustainability.
- LabX should systematically involve CSOs in the development of an updated version of the Guiding Principles and their subsequent implementation to support their contribution to the design and delivery of inclusive, accessible and relevant public services. It could build on the gains achieved through the multi-stakeholder forum created in the framework of the OGP agenda in the country.
- Address existing financing gaps and administrative burdens hindering the ability of CSOs to operate and deliver many crucial services, by:
 - Building on existing partnerships with CSOs by expanding public funding opportunities and tax incentives, in particular for organisations working on the rights of marginalised groups, vulnerable people and minorities, as well as those doing advocacy work. The government could consider conducting a mapping exercise to identify gaps and priority needs from smaller and local CSOs that have been traditionally under-represented or excluded from public support. This exercise would benefit from opening a two-way dialogue with the sector.
 - Reinforcing CSO capacity to apply for and manage public funding through training and improved communications, in particular for smaller organisations, for example through a coordinated public fund for CSO capacity building. At the same time, ensure public officials managing CSO funds have the necessary knowledge, tools and resources to support these actors along the application process.
 - Expanding the use of co-operation protocols in the context of a wider range of policy sectors and with advocacy and watchdog organisations. A contractual modality would support the sector through the availability of medium- and long-term funding.
 - Reflecting on avenues to ensure information is easily available for large and small CSOs alike to access funding. Leveraging strategic public communication that is tailored to the needs of different audiences would be key to expanding the reach of funding opportunities to the sector.
 - Exploring avenues to leverage and expand local funding opportunities. Promoting a more co-ordinated approach between federal and subnational authorities to disburse funding could help scale financial support, reduce fragmentation and disburse funding for longer periods of time.

- Collecting, centralising and publishing up-to-date data on a central repository on the status quo of the civil society sector and the available sources of funding. This would not only improve CSOs' awareness of opportunities they can tap into, but would also enhance transparency in regard to the management of support for the sector.
- Assessing and identifying avenues to adjust specific processes for CSOs to be legally constituted, access funding, regularise their fiscal activities and benefit from tax exemptions according to the needs and institutional differences of the diverse sector in Portugal, in particular with a view to simplifying processes for small organisations and those working in advocacy.
- Providing training and developing information packages detailing the different obligations, regimes and steps of key registration and administrative processes to raise awareness among CSOs.

Promoting the participation of stakeholders and citizens in the design and delivery of public services in Portugal

Portugal has adopted relevant legislation that enable participation in different aspects of public life. However, the disjointed policy frameworks and the fragmented institutional ownership of the agenda hinder the impact and potential of the participation agenda. The government of Portugal has elaborated a wide variety of mechanisms to consult stakeholders and citizens, including providing suggestions, feedback and complaints on services and ad hoc consultations on in-person services and online platforms. However, the government faces a series of challenges to participation in service delivery, including weak communication and feedback channels, limited inclusion and representation of stakeholders as well as inadequate resources and skills. Portugal could consider the following recommendations for promoting the participation of a broad range of stakeholders in service design and delivery:

- Further institutionalise stakeholder participation in service design and delivery and avoid duplication by strengthening coordination and integration and further clarifying roles and responsibilities of the institutions involved. Institutionalisation could become a principle in the next iteration of the Guiding Principles and steps toward it could be included in a forthcoming OGP Action Plan.
 - Establishing clearer institutional responsibilities for participation and strengthening links with the open government agenda as well as identifying synergies with initiatives such as the OGP can help to ensure ownership and co-ordination among public institutions.
- Strengthen existing participatory processes by developing a comprehensive framework that ensures that stakeholders are consulted and involved consistently across the policy and service cycle. The government could develop a participation strategy or plan to steer its vision while setting objectives and measurable milestones.
- Adopt a more strategic public communication approach to raise awareness, enhance access and promote stakeholder participation in service design and delivery by tailoring communication to the needs of different population groups (i.e. youth, elderly, disabled populations) and making information more comprehensible.
 - Elaborating a communications strategy for participatory processes which follows every step of the process. This includes communicating with enough time in advance for participants to organise their attendance and to provide relevant information of the process for a meaningful engagement, such as the purpose and the expected outcomes. It is important to distinguish between communication with the participants of the process and

communication with the broader public about the participation process and to use different channels depending on the audience.

- Establishing effective feedback loops is also important to ensure participants that their time and efforts are taken into account as well as to communicate with the broader public to ensure transparency in the process and gain trust in the decisions made. Providing clear justifications and arguments if certain results are not used or implemented is key in that regard.
- Increase the inclusion and representation of stakeholders across all stages of the co-creation and delivery of public services through monitoring and evaluation and ensuring equality of access and participation. The government could put in place standardised mechanisms to more consistently make use of feedback on participatory initiatives and services.
 - To tackle the digital divide and ensure equality, the government could systematically propose a non-digital alternative to ensure the inclusion of digitally excluded populations. Non-digital alternatives can be, for example, physical votes, consultations via phone or any other in-person mechanism (workshops, kiosks, paper mail, etc.).
 - The use of audience insights can aid in the delivery of personalised messaging and the use of adequate channels to raise awareness of a participatory process, expand its reach and support the participation of a wider range of stakeholders. For instance, younger citizens might prefer online and social media, whereas seniors might be easier to reach by post, printed newspapers or posters in their local supermarkets.
 - Efforts should also be made to improve comprehensibility of information by promoting the use of plain language in interactions with stakeholders, in official documents and calls for consultations. For instance, additional measures could be put in place to ensure that information is easily accessible for people with special needs to guarantee that public officials are reaching all groups in society. The government could also develop good practice principles for plain language and ensure their promotion and dissemination.
 - To include and strengthen the relationships with key CSOs in service delivery, establish strategic partnerships with actors representing marginalised groups or minorities such as migrants, Roma and people of African descent, through transparent public procurement processes.
- Provide adequate capacities and skills for implementing participatory practices. The government could ensure that AMA has the necessary tools, resources and political backing to co-ordinate participation practices across the public sector, in line with its mandate. Manuals or handbooks to guide public officials in the implementation of the legal and policy framework, and technical tools to facilitate the organisation of participatory processes, as well as their monitoring and evaluation, could be helpful in this regard.
- Empower a well-placed institution to convene public sector actors who engage in participation initiatives, including those related to services, to share learning and experiences, promote joined-up activities, and promote collaboration among relevant actors.

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Notes

¹ The Core civil society index is designed to provide a measure of a robust civil society, understood as one that enjoys autonomy from the state and in which citizens freely and actively pursue their political and civic goals, however conceived. The index consists of three indicators: CSO participatory environment (Which of these best describe the involvement of people in CSOs?); CSO entry and exit (To what extent does the government achieve control over entry and exit by CSOs into public life?); CSO repression (Does the government attempt to repress CSOs?). (V-Dem Institute, 2023^[76])

² The CSO repression indicator measures the extent of CSO repression by the government. V-Dem asks: Does the government attempt to repress CSOs? Responses: Severely (0), Substantially (1), Moderately (2), Weakly (3), No (4). (V-Dem Institute, 2023^[76])

³ The CSO consultation indicator measures the extent to which major CSOs are routinely consulted by policymakers on policies relevant to their members. V-Dem asks: Are major CSOs routinely consulted by policymakers on policies relevant to their members? Responses: No (0), To some degree (1), Yes (2). (V-Dem Institute, 2023^[76])

⁴ Private social security institutions are “entities constituted on the initiative of individuals, not for profit, with the purpose of giving organized expression to the moral duty of solidarity and justice among individuals, which are not administered by the state or by an autonomous body” (Government of Portugal, 2014^[19]). The main objectives of this type of organisation include: support for children and young people; family support; protecting elderly and disabled citizens; promoting and protecting health; providing preventive, curative and rehabilitation medicine care; civic training; support for housing.

⁵ Updated data will be published by Statistics Portugal in 2023, after the publication of this report.

⁶ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

⁷ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

⁸ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

⁹ Examples of relevant fora for the civil society sector to advocate for the rights of marginalised groups include: the AGA Khan Development Network, annual meetings of the National Confederation of Solidarity Institutions and the Union of Portuguese Holy Houses of Mercy and the multi-stakeholder forum as part of the OGP process in Portugal. More recently, the Portuguese EU Council Presidency from 1 January to 30 June 2021 provided a platform for these actors to have a say on the priorities for activities (i.e. on climate change, the 2030 Agenda, digitalisation for sustainable development, etc.) through a public consultation led by the NGDO platform (for more information see: <https://presidency.concordeurope.org/portugal>).

¹⁰ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

¹¹ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

¹² The Portugal 2020 programme seeks to allocate funds for the enabling environment of the civil society sector.

¹³ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

¹⁴ Some examples of initiatives considered by the 2020-21 co-operation agreement include: the support centre for families and parental advisory services (i.e. family preservation – EUR 140.76 per individual per month); childhood and youth homes (EUR 793.95 per individual per month); and a capacity building centre for promoting inclusion (EUR 577.89 per individual per month).

¹⁵ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

¹⁶ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

¹⁷ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

¹⁸ The following decrees regulate this mechanism for each of the aforementioned actors, including: religious institutions (Article 3.4 of Law No. 16/2001); private social security institutions (Article 32.6 of Law No. 16/2001); environmental organisations (Articles 14.5 and 14.7 of Law No. 35/98); cultural institutions (Article 152 of the Personal Income Tax Code (Assembly of the Republic, 2014_[77])); and youth organisations.

¹⁹ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

²⁰ Portuguese civil society benefits from the following tax exemptions (OECD, 2022_[11]):

- Income taxes: charities, non-governmental organisations and public utility institutions that pursue cultural, scientific, charitable, assistance, social solidarity and environmental protection purposes are exempt from income tax (Article 10^o of the Corporate Income Tax Code). (https://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/CIRC_2R/Pages/circ-codigo-do-irc-indice.aspx). Donations to these types of institutions are deductible for tax purposes with an increase depending on the purpose for which they are intended, whether social, cultural, environmental or scientific (Article 62 of the Fiscal Benefits Statute

(https://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/bf_rep/Pages/estado-dos-beneficios-fiscais-indice.aspx).

- Value-added tax (VAT): VAT exemptions in the Portuguese VAT code is along the lines of the European Union VAT Directive. These are, in most cases, activities of general interest carried out by non-profit organisations (e.g. Article 9 numbers 8, 14, 19 and 35 of the Portuguese VAT code). (https://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_tributarios/civa_rep/pages/codigo-do-iva-indice.aspx).
- Benefits granted to the “Santa Casa da Misericórdia de Lisboa” (charity), private institutions of social solidarity (charities), firefighters associations and non-profit entities of the national science and technology system through the reimbursement of the total or partial amount equivalent to the VAT incurred in certain purchases of goods and services (Decree-Law No. 20/90 (Government of Portugal, 1990^[78]) and Decree-Law No. 84/2017 (Government of Portugal, 2017^[79]) and their amendments).

²¹ According to the Practical Guide for the Constitution of Private Social Security Institutions (Government of Portugal, 2014^[19]), the registration of these organisations involves the submission of the following documents: a copy of the constitution act of the entity; an action plan; a copy of the legal person identification; the denomination, address, goal and activities of the institution; and its composition, organigram and financial regime.

²² The registration of a non-governmental organisation requires the payment of EUR 300, with the exception of student associations (which are free) and youth associations (which are reimbursed once the organisation is recognised by the Portuguese Institute of Sports and Youth).

²³ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

²⁴ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

²⁵ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

²⁶ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

²⁷ The OECD Observatory of Civic Space held an online public consultation from October 2021 to February 2022 to provide recommendations to the government of Portugal. A total of 27 contributions were received and 14 underlined stakeholder participation as a key issue to address.

²⁸ V-Dem’s Liberal Democracy Index measures the complexities of electoral, liberal, participatory, deliberative and egalitarian democracies. The Participatory Component Index takes into account four important aspects of citizen participation: CSOs; mechanisms of direct democracy; and participation and representation through local and regional governments. Four different V-Dem indices capture these aspects and are the basis for the Participatory Component Index (V-Dem Institute, 2023^[72]).

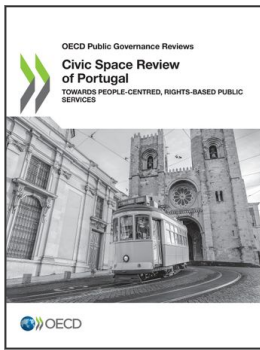
²⁹ The Economist Democracy Index 2020 component measuring political participation includes indicators and public opinion surveys on: voter participation/turnout for national elections; the degree of autonomy and voice in the political process of ethnic, religious and other minorities; the percentage of women in parliament; the extent of political participation; citizens’ engagement with politics; preparedness of the

population to take part in lawful demonstrations; adult literacy; adult population following politics in the news; and efforts from authorities to promote political participation (Economist Intelligence Unit, 2022^[73]).

³⁰ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

³¹ Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.

³² Based on interviews with 15 CSOs and 24 public institutions from 15 November 2021 to 4 May 2022.



From:
Civic Space Review of Portugal
Towards People-Centred, Rights-Based Public Services

Access the complete publication at:
<https://doi.org/10.1787/8241c5e3-en>

Please cite this chapter as:

OECD (2023), “The enabling environment for participation in service design and delivery in Portugal”, in *Civic Space Review of Portugal: Towards People-Centred, Rights-Based Public Services*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/bd777699-en>

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