

UTAO | Informação Técnica n.º 20/2012

Memorando de Entendimento sobre as Condicionalidades de Política Económica

Comparação entre versões

26.09.2012

Ficha técnica

Este trabalho foi elaborado com base nos relatórios da Comissão Europeia e do Fundo Monetário Internacional relativos ao “Memorando de Entendimento sobre as Condicionalidade de Política Económica” - *MoU*.

A análise é da exclusiva responsabilidade da Unidade Técnica de Apoio Orçamental (UTAO). Nos termos da Lei n.º 13/2010, de 19 de Julho, a UTAO é uma unidade especializada que funciona sob orientação da comissão parlamentar permanente com competência em matéria orçamental e financeira, prestando-lhe apoio pela elaboração de estudos e documentos de trabalho técnico sobre a gestão orçamental e financeira pública.

1 O presente documento sintetiza as alterações que foram efetuadas ao “Memorando de Entendimento sobre as Condicionalidade de Política Económica” - MoU, nomeadamente entre a versão inicial (17 de maio de 2011) e a 3.ª revisão (15 de março de 2012) e a 4.ª revisão (27 de junho de 2012), nos aspetos relativos à política orçamental e às medidas estruturais/orçamentais.

2 Na Tabela 1 encontram-se sintetizadas as alterações ao nível do cenário macroeconómico entre o MoU e as 3.ª e 4.ª revisões do MoU, enquanto na Tabela 2 e Tabela 3 se encontram identificadas as principais alterações relativamente à política orçamental e às medidas estruturais/orçamentais entre a 3.ª revisão do MoU e a versão original, bem como as introduzidas pela 4.ª revisão.

Tabela 1 – Cenário macroeconómico para a economia portuguesa

Documento:	MoU					3.ª Revisão					4.ª Revisão					
Ano:	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015	2011	2012	2013	2014	2015	2016
Despesa e PIB (taxas reais de variação, em %)																
PIB	-2,2	-1,8	1,2	2,5	2,2	-1,5	-3,3	0,3	2,1	1,9	-1,6	-3,0	0,2	2,1	1,9	1,9
<i>Δ p.p.</i>	:	:	:	:	:	0,7	-1,5	-0,9	-0,4	-0,3	-0,1	0,3	-0,1	0,0	0,0	:
Consumo Privado	-4,4	-3,8	0,4	1,1	1,0	-3,8	-5,8	-0,9	1,1	0,8	-3,9	-6,0	-0,5	1,2	1,0	1,0
<i>Δ p.p.</i>	:	:	:	:	:	0,6	-2,0	-1,3	0,0	-0,2	-0,1	-0,2	0,4	0,1	0,2	:
Consumo Público	-6,1	-4,6	-2,0	-0,3	-0,2	-3,1	-2,9	-2,6	-1,1	-0,1	-3,9	-3,4	-2,7	-0,8	0,4	0,3
<i>Δ p.p.</i>	:	:	:	:	:	3,0	1,7	-0,6	-0,8	0,1	-0,8	-0,5	-0,1	0,3	0,5	:
FBCF	-9,9	-7,4	2,0	4,2	2,3	-11,3	-11,8	0,7	4,4	4,4	-11,4	-12,2	-0,5	4,6	3,7	3,1
<i>Δ p.p.</i>	:	:	:	:	:	-1,4	-4,4	-1,3	0,2	2,1	-0,1	-0,4	-1,2	0,2	-0,7	:
Exportações	6,2	5,9	6,5	6,5	6,5	7,2	2,0	4,7	5,4	5,4	7,4	3,5	3,5	5,0	5,5	5,5
<i>Δ p.p.</i>	:	:	:	:	:	1,0	-3,9	-1,8	-1,1	-1,1	0,2	1,5	-1,2	-0,4	0,1	:
Importações	-5,3	-2,8	2,1	3,7	3,6	-5,7	-6,9	1,9	4,0	4,0	-5,4	-6,2	0,9	3,3	4,3	4,3
<i>Δ p.p.</i>	:	:	:	:	:	-0,4	-4,1	-0,2	0,3	0,4	0,3	0,7	-1,0	-0,7	0,3	:
Preços e desemprego (em %)																
Inflação (IHPC)	3,4	2,0	1,4	1,5	1,5	3,6	3,2	1,3	1,5	1,5	3,6	2,7	1,1	1,0	1,5	1,5
<i>Δ p.p.</i>	:	:	:	:	:	0,2	1,2	-0,1	0,0	0,0	0,0	-0,5	-0,2	-0,5	0,0	:
Deflador do Cons. Priv.	3,4	2,0	1,5	1,5	1,5	3,5	3,3	1,5	1,3	1,5	3,7	2,7	1,1	1,1	1,5	1,5
<i>Δ p.p.</i>	:	:	:	:	:	0,1	1,3	0,0	-0,2	0,0	0,2	-0,6	-0,4	-0,2	0,0	:
Deflador do PIB	1,1	1,2	1,3	1,4	1,4	1,0	0,9	1,3	1,3	1,4	0,7	0,6	1,1	1,1	1,4	1,5
<i>Δ p.p.</i>	:	:	:	:	:	-0,1	-0,3	0,0	-0,1	0,0	-0,3	-0,3	-0,2	-0,2	0,0	:
Desemprego (definição Eurostat)	12,2	12,9	12,4	11,6	10,6	12,7	14,4	13,9	13,1	12,4	12,9	15,4	15,8	15,3	14,8	14,3
<i>Δ p.p.</i>	:	:	:	:	:	0,5	1,5	1,5	1,5	1,8	0,2	1,0	1,9	2,2	2,4	:
Financiamento (em % do PIB)																
Saldo orçamental	-5,9	-4,5	-3,0	-2,3	-1,9	-4,0	-4,5	-3,0	-2,3	-1,9	-4,2	-4,5	-3,0	-2,3	-1,9	-1,8
<i>Δ p.p.</i>	:	:	:	:	:	1,9	0,0	0,0	0,0	0,0	-0,2	0,0	0,0	0,0	0,0	:
Dívida Pública	101,7	107,4	108,6	107,6	105,7	106,8	112,4	115,3	114,4	112,7	107,8	114,4	118,6	117,7	115,7	113,7
<i>Δ p.p.</i>	:	:	:	:	:	5,1	5,0	6,7	6,8	7,0	1,0	2,0	3,3	3,3	3,0	:
Cap./nec. liq. <i>financto. face exterior</i>	-6,0	-3,7	-2,4	-1,6	-0,8	-5,3	-2,6	-2,0	-1,5	-1,0	-5,1	-2,0	-0,8	0,1	0,7	1,1
<i>Δ p.p.</i>	:	:	:	:	:	0,7	1,1	0,4	0,1	-0,2	0,2	0,6	1,2	1,6	1,7	:

Fonte: Comissão Europeia (*The Economic Adjustment Programme for Portugal, Occasional Papers n.º 79*, junho de 2011; *The Economic Adjustment Programme for Portugal – Third Review, Occasional Papers n.º 95*, abril de 2012; *The Economic Adjustment Programme for Portugal – Fourth Review, Occasional Papers n.º 111*, julho de 2012) e cálculos da UTAO.

3 Adicionalmente, em anexo ao presente documento, apresenta-se um quadro com o conjunto completo das alterações que foram efetuadas ao “Memorando de Entendimento sobre as Condicionalidade de Política Económica” nos pontos relativos à política orçamental e às medidas estruturais/orçamentais.¹

¹ O texto do anexo encontra-se na língua original do MoU, i.e., em Inglês.

Tabela 2 – Identificação das principais alterações entre a 3.ª Revisão e a versão original do MoU

Tipologia	Breve descrição da alteração
supressão	Supressão da medida que visava reduzir os custos do trabalho através da designada “desvalorização fiscal”, a ser financiada através do aumento do IVA de montante equivalente.
proposta do OE/2012	Com a discussão da Proposta do OE/2012, ajustou-se a medida de suspensão/redução do pagamento de pensões/subsídios relativos aos 13.º e 14.º meses dos funcionários públicos abaixo de 1100 euros, compensando o diferencial orçamental com o aumento da taxa do IRS aplicável aos rendimentos de capitais de 21,5% para 25%.
alterações ao OE/2012	A apresentação do Orçamento de Estado Suplementar para 2012 visou, entre outras razões: i) assegurar a cobertura da despesa com pensões do regime substitutivo dos bancários; ii) permitir a regularização de dívidas em atraso por parte do Sistema Nacional de Saúde; iii) refletir o Programa de ajustamento da Região Autónoma da Madeira (com obrigação de proceder a reportes trimestrais da RAM, antes das revisões do MoU da República Portuguesa); iv) refletir as poupanças previstas ao nível do pagamento de juros e outros encargos. Relativamente ao acréscimo de despesa resultante da transferência de fundos de pensões do setor bancário nos anos subsequentes ao ano de 2012, o Governo deverá tomar medidas adicionais para cumprir os objetivos do défice orçamental das administrações públicas (contas nacionais).
definição	Definição de novos objetivos para a redução da despesa com os salários da função pública (redução de, pelo menos, 3000 M€ em 2012) e com pensões (redução de, pelo menos, 1140 M€ em 2012)
redefinição	Redefinição do objetivo de redução do n.º de funcionários públicos na administração central, regional e local entre 2012-2014 (2%/ano). Redução do n.º de cargos intermédios da administração pública. [Anteriormente, o objetivo de redução do n.º de funcionários públicos na administração central era 1%/ano e na administração regional e local de 2%/ano].
alteração	Alteração do objetivo de redução da despesa no setor da saúde para 2012 (para 1000 M.€, ao invés de 550 M.€).
alteração	Ao nível da diminuição de encargos no Setor Empresarial do Estado, assinala-se a alteração das taxas de cofinanciamento no acesso aos fundos comunitários para os Estados-membros sujeitos a Programas de Ajustamento Económico e Financeiro.
aditamento	Redução de transferências sociais (excluindo pensões), em (pelo menos) 180 M.€ em 2012, resultante da limitação dos critérios de elegibilidade desses apoios sociais / redução do benefício médio em certos casos.
redefinição	<p>Para 2012:</p> <ul style="list-style-type: none"> • Aumento do objetivo de receita do IRC para 330 M€ [antes previa-se um aumento de receita de 150 M€] resultantes da abolição das taxas reduzidas de imposto e do alargamento da base tributável. • Aumento do objetivo da receita do IRS para 265 M€ [antes previa-se um aumento de receita de 150 M€] resultantes da redução dos benefícios fiscais, da harmonização das deduções fiscais da categoria A (trabalho dependente) e categoria H (pensões) e da eliminação da dedutibilidade de despesas nos 2 últimos escalões de rendimento do IRS. • Referências à medida introduzida no final de 2011 relativamente à sobretaxa do IRS. • Aumento do objetivo da receita do IVA para 204 M€ [antes previa-se um aumento de receita de 410 M€] através do aumento da eficiência resultante da reestruturação das taxas do imposto.
alteração	Revisão em baixa dos objetivos para 2012 resultante do aumento dos impostos sobre o património (50 M.€, ao invés de 250 M.€) e dos impostos especiais sobre o consumo (200 M.€, ao invés de 250 M.€). Apesar dos objetivos terem sido revistos em baixa, saliente-se que a receita adicional reflete essencialmente: i) a introdução da tributação da eletricidade (Diretiva U.E. 2003/96); ii) aumentos das taxas de imposto; iii) a redução de isenções temporárias.
supressão por cumprimento	No âmbito dos “pagamentos em atraso”, a Lei dos Compromissos e Pagamentos em Atraso veio dar cumprimento a alguns dos objetivos inscritos no MoU, passando na 3.ª revisão do MoU a prever-se que a Inspeção Geral de Finanças fiscalize o seu cumprimento, de forma a reduzir o stock de “pagamento em atraso” no final do período do programa.
supressão	Supressão do texto relativo ao alargamento do reporte mensal da execução orçamental <i>cash basis</i> progressivamente às administrações públicas, de forma a incluir todo o Setor Empresarial do Estado (SEE) e as Parcerias Público-Privadas reclassificadas dentro do perímetro de consolidação das administrações públicas.

Tipologia	Breve descrição da alteração
introdução	Avançar na reforma do sistema de controlo orçamental, de forma a reduzir a fragmentação orçamental [2.º trimestre de 2012].
início de atividades	Início das atividades do Conselho de Finanças Públicas, em 2012, quando no MoU original se encontrava previsto que aquele organismo elaborasse o seu Parecer sobre o OE/2012.
definição	As empresas do SEE com atividade comercial deverão atingir um equilíbrio operacional até final de 2012.
redefinição	O objetivo da aplicação de limites de endividamento mais reduzidos a partir de 2012, passou a enquadrar-se numa estratégia mais alargada de gestão da dívida pública do SEE. Uma nova estratégia para a <i>Parública</i> será delineada, tendo presente o programa de privatizações em curso.
conclusão	Conclusão dos processos de privatização da EDP e da REN. Ajustamento/definição do calendário de privatizações.
conclusão	Conclusão do processo de criação da Autoridade Tributária e Aduaneira (por fusão da DGCI, DGAIEC e DGITA)
introdução	O Governo irá preparar uma revisão das tabelas salariais no Setor Público, incluindo entidades fora do perímetro de consolidação das Administrações Públicas.

Fonte: Comissão Europeia (*The Economic Adjustment Programme for Portugal - June 2011; The Economic Adjustment Programme for Portugal - Third review - Winter 2011/2012; The Economic Adjustment Programme for Portugal - Fourth review - Spring 2012*).

Tabela 3 – Identificação das principais alterações introduzidas pela 4.ª Revisão do MoU

Tipologia	Breve descrição da alteração
supressão	Supressão de vários pontos relacionados com o Orçamento do Estado para 2012 e a proposta de alteração do mesmo (ver Tabela 2).
alteração	Além da meta do défice das administrações públicas para 2013 (3% do PIB) estabelecida no âmbito do PAEF, o Governo irá avaliar a margem orçamental para estimular a procura de trabalho através de alterações fiscais. Com o objetivo de alcançar efeitos positivos de longo prazo, o Governo irá explorar alternativas, mantendo o défice inalterado e dentro dos objetivos, de reduzir a taxa das contribuições sociais para os empregadores.
redefinição	Alargamento do objetivo de publicar anualmente o “relatório” de Despesa Fiscal, inserido no Orçamento do Estado.
supressão	Foi suprimida a indicação da publicação de objetivos trimestrais das administrações públicas (em contas nacionais) e das medidas corretivas no caso de haver desvios face aos mesmos.
introdução	Elaboração de um documento para dar cumprimento ao acordado entre o Governo e Administração Local no âmbito do “Programa de Apoio à Economia Local”. A transparência da utilização da linha de crédito será assegurada através da publicação mensal dos montantes emprestados e usados para liquidar dívidas e outros passivos por município (3.ºT-2012).
introdução	Preparar, em consulta com a CE e o FMI, um documento específico, o qual deverá acompanhar o Relatório do Orçamento do Estado, para avaliar o progresso das reformas na área da gestão financeira pública e delinear os próximos desenvolvimentos ao longo do próximo triénio (3.ºT-2012).
alteração	Revisão da Lei de Enquadramento Orçamental, tendo em consideração a arquitetura reforçada para a União Económica e Monetária e o Tratado sobre Estabilidade, Coordenação e Governança na União Económica e Monetária. A revisão da LEO vai também acomodar a evolução das Leis de finanças públicas regionais e locais (4.ºT-2012).
introdução	Criação de um grupo de trabalho com representantes do Ministério das Finanças, das Regiões Autónomas e das autarquias locais para preparar uma proposta de orientações comuns para a previsão da receita para as administrações subnacionais.
supressão	Foi suprimida a referência à necessidade de o Tribunal de Contas ser informado sobre a avaliação de riscos <i>ex-ante</i> sobre as PPP's, concessões e outros investimentos públicos.
redefinição	O texto relativo à nova estratégia para a <i>Parpública</i> foi entretanto suprimido havendo, no entanto, uma referência à sua integração no âmbito da estratégia da gestão da dívida para o SEE.
alteração	Foram efetuados novos ajustamentos na calendarização das privatizações (nomeadamente para a CP Carga, ANA e TAP).
alteração	Passou a haver referências à conclusão do Relatório Final para implementação do Programa de Redução e Melhoria da Administração Central.
alargamento	No âmbito dos serviços partilhados, a Gestão de Recursos Financeiros (GeRFIP) também irá ser implementada na Região Autónoma da Madeira e na Região Autónoma dos Açores (4.ºT-2013). A Região Autónoma da Madeira irá implementar gradualmente a Gestão de Recursos Humanos GeRHuP.

Fonte: Comissão Europeia (*The Economic Adjustment Programme for Portugal - June 2011; The Economic Adjustment Programme for Portugal - Third review - Winter 2011/2012; The Economic Adjustment Programme for Portugal - Fourth review - Spring 2012*).

Anexo I

Síntese do conjunto das alterações que foram efetuadas ao “Memorando de Entendimento sobre as Condicionalidade de Política Económica” nos pontos relativos à Política Orçamental e às medidas estruturais/orçamentais

Legenda:

Texto a azul – assinala as alterações introduzidas aquando da revisão do MoU.

Texto a vermelho – assinala o texto suprimido aquando da revisão do MoU.

Versão Inicial do MoU 17 de maio de 2011		3.ª Revisão do MoU 15 de março de 2012		4.ª Revisão do MoU 27 de junho de 2012	
§		§		§	
1. Fiscal policy					
1.1	1.1. The Government achieves a general government deficit of no more than EUR 10,068 millions in 2011. [Q4-2011]		[Texto suprimido]		
1.2	1.2 Over the remainder of the year, the government will rigorously implement the Budget Law for 2011 and the additional fiscal consolidation measures introduced before May 2011. Progress will be assessed against the (cumulative) quarterly deficit ceilings in the Memorandum of Economic and Financial Policies (MEFP), including the Technical Memorandum of Understanding (TMU). [Q3 and Q4-2011]		[Texto suprimido]		
1.3	1.3. On the basis of a proposal developed by the time of the first review [end-July 2011], the 2012 Budget will include a budget neutral recalibration of the tax system with a view to lower labour costs and boost competitiveness [October 2011].		[Texto suprimido]		
1.4	1.4. The government will achieve a general government deficit of no more than EUR 7,645 millions in 2012. [Q4-2012]	1.1	1.1. The government will achieve a general government deficit of no more than EUR 7,645 million (4½ per cent of GDP) in 2012. [Q4-2012] The Government has not implemented the 'fiscal devaluation' as a tool to cut labour costs. As an alternative, the government has introduced a number of other measures to boost the competitive position of Portuguese firms. Substantial efforts continue to be necessary to raise competitiveness which remains a central aim of the programme.	1.1	1.1. The government will achieve a general government deficit of no more than EUR 7,645 million (4½ per cent of GDP) in 2012. [Q4-2012]
		1.2	1.2. The Government will adopt a Supplementary Budget by [Q1-2012]. Main elements to be included: i) the additional expenditure on pensions due to the banks' pension funds transfer in 2012 of about EUR 520 million; ii) the strategy for the settlement of arrears in the health sector; iii) budgetary costs of the Madeira programme; and iv) ways of addressing increased downside risks to economic activity by using additional interest savings, such as the interest received from deposits, the EFSF margin removal from loans disbursed in May/June and lower interest on EFSF/EFSM loans disbursed afterwards and savings from the reprogramming of EU structural funds.		[Texto suprimido]
		1.3	1.3. The banks' pension funds transfer has created additional expenditure on pensions for the government that will have a negative impact, although decreasing in time, on the overall fiscal balances. The government will adopt measures to cover the additional expenditure and keep the fiscal balances unaffected. For 2012, these measures will be covered by the Supplementary Budget. For later years, these measures are still to be fully specified and will be included in the 2012 fiscal strategy document in compliance with the Stability and Growth Pact together with detailed medium-term fiscal projections and a list of contingency measures in case of budgetary slippages. [April 2012]		[Texto suprimido]
1.5	1.5. Throughout the year, the government will rigorously implement the Budget Law for 2012. Progress will be assessed against the (cumulative) quarterly deficit ceilings in the Memorandum of Economic and Financial Policies (MEFP), including the Technical Memorandum of Understanding (TMU). [Q1, Q2, Q3 and Q4-2012]	1.4	1.4. Throughout the year, the government will rigorously implement the Budget Law for 2012. Within the year , progress will be assessed against the (cumulative) quarterly ceilings for the consolidated general government cash balance in the MEFP, as defined in the TMU, without prejudice to full-year ESA-95 deficit targets . [Q1, Q2, Q3 and Q4-2012]	1.2	1.2. Throughout the year, the government will rigorously implement the Budget Law for 2012, as amended by the Supplementary Budget . Within the year, progress will be assessed against the (cumulative) quarterly ceilings for the consolidated general government cash balance in the MEFP, as defined in the TMU, without prejudice to full-year ESA-95 deficit targets. [Q2, Q3 and Q4-2012]
		1.5	1.5. The discussion in Parliament of the 2012 Budget Law has led to a change in the salary and pension threshold to EUR 1,100 above which the 13th and 14th monthly payments are fully suspended, and to between EUR 600 and EUR 1,100 for implementing the progressive suspension. The change was done in a budgetary neutral way, financed through an increase in the tax rate applicable to capital income (dividends and interest payments) from 21.5 per cent to 25 per cent.		[Texto suprimido]

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
		1.6	1.6. The measures listed below, worth 5.3 percent of GDP, when compared with the estimated outturn for 2011 (and above 6 percent of GDP when compared with a scenario of unchanged policies), will be carried out as adopted in the 2012 Budget Law, unless elsewhere specified. Overall, expenditure reduction accounts for two thirds of that fiscal effort and revenue increases for one third.	1.3	1.3. The measures listed below, worth <u>5.4</u> per cent of GDP, when compared with the estimated outturn for 2011 (and above 6 per cent of GDP when compared with a scenario of unchanged policies), will be carried out as adopted in the 2012 Budget Law, <u>as amended by the Supplementary Budget</u> , unless elsewhere specified. Overall, expenditure reduction accounts for two thirds of that fiscal effort and revenue increases for one third.
1.6	1.6. The following measures will be carried out with the 2012 Budget Law [Q4-2011], unless otherwise specified:		[Texto suprimido]		
1.7	1.7. Improve the working of the central administration by <u>eliminating redundancies</u> , increasing efficiency, reducing and eliminating services that do not represent a cost-effective use of public money. This should yield annual savings worth at least EUR 500 million. Detailed plans will be presented by the Portuguese authorities and will be assessed by Q1-2012; the budgetary impacts will spread to 2014. To this end, the government will: i. reduce the number of services while maintaining quality of provision; ii. create a single tax office and promoting services' sharing between different parts of the general government; iii. reorganise local governments and the provision of central administration services at local level; iv. regularly assess the value for money of the various public services that are part of the government sector as defined for national accounts purposes; v. promote mobility of staff in central, regional and local administrations; vi. reduce transfers from the State to public bodies and other entities; vii. revise compensation schemes and fringe benefits in public bodies and entities that independently set their own remuneration schemes; viii. reduce subsidies to private producers of goods and services.	1.15	1.15. Improve the working of the central administration by increasing efficiency, reducing and eliminating services that do not represent a cost-effective use of public money. <u>This should yield annual savings worth at least EUR 130 million</u> . Detailed plans will be presented by the Portuguese authorities by Q1-2012; the budgetary impacts will spread <u>beyond 2012</u> . To this end, the government will: i. reduce the number of services while maintaining quality of provision; ii. create a single revenue administration and promote services' sharing between different parts of general government; <u>iii. reorganise the provision of central administration services at local level and regularly assess the value for money of the various public services;</u> iv. promote mobility of staff in central, regional and local administrations; v. reduce transfers from the state to public bodies and other entities; vi. revise compensation schemes and fringe benefits in public bodies and entities that independently set their own remuneration schemes; vii. reduce subsidies to private producers of goods and services.	1.12	1.12. Improve the working of the central administration by increasing efficiency, reducing and eliminating services that do not represent a cost-effective use of public money. This should yield annual savings worth at least EUR 130 million, the budgetary impacts will spread beyond 2012. To this end, the government will: i. reduce the number of services while maintaining quality of provision; ii. create a single revenue administration and promote services' sharing between different parts of general government; iii. reorganise the provision of central administration services at local level and regularly assess the value for money of the various public services; iv. promote mobility of staff in central, regional and local administrations; v. reduce transfers from the state to public bodies and other entities; vi. revise compensation schemes and fringe benefits in public bodies and entities that independently set their own remuneration schemes; vii. reduce subsidies to private producers of goods and services.
1.8	1.8. Reduce costs in the area of education, with the aim of saving EUR 195 million by rationalising the school network by creating school clusters; lowering staff needs; centralising procurement; and reducing and rationalising transfers to private schools in association agreements.	1.11	1.11. Reduce costs in the area of education, with the aim of saving <u>EUR 380 million</u> by rationalising the school network including by creating school clusters; lowering staff needs; centralising procurement; and reducing and rationalising transfers to private schools in association agreements <u>and making a more intensive use of EU funds to finance activities in the area of education</u> .	1.8	1.8. Reduce costs in the area of education, with the aim of saving EUR 380 million by rationalising the school network including by creating school clusters; lowering staff needs; centralising procurement; and reducing and rationalising transfers to private schools in association agreements and making a more intensive use of EU funds to finance activities in the area of education.

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
1.9	1.9. Ensure that the aggregate public sector wage bill as a share of GDP decreases in 2012 and 2013 [Q2-2012 for assessment; Q2-2013 to complete process]: i. Limit staff admissions in public administration to achieve annual decreases in 2012-2014 of 1% per year in the staff of central administration and 2% in local and regional administration. [Q3-2011] ii. Freeze wages in the government sector in nominal terms in 2012 and 2013 and constrain promotions. iii. Reduce the overall budgetary cost of health benefits schemes for government employees schemes (ADSE, ADM and SAD) lowering the employer's contribution and adjusting the scope of health benefits, with savings of EUR 100 million in 2012.	1.7	1.7. Ensure that the public sector wage bill <u>decreases in gross terms in 2012 by at least EUR 3,000 million</u> : <u>i. reduce wages for all general government sector employees in 2012 by (i) suspending the 13th and 14th monthly salary payments for those workers with monthly salaries of EUR 1,100 or more, (ii) suspending on average and in a progressive way the equivalent of one of those two salaries for those workers with monthly salaries between EUR 600 and EUR 1,100. Similar measures will apply to all SOEs classified inside and outside the perimeter of the government sector, and in any other public entity even if falling outside the perimeter of the government sector;</u> <u>ii. reduce the number of government employees by (i) limiting staff admissions in order to achieve annual decreases of 2 per cent (full-time equivalent) in 2012-2014 in the permanent staff of central, regional and local governments, (ii) decreasing the number of temporary positions in specific areas of public administration. To support these objectives, binding numeric targets for staff reductions per main area of the administration will be defined by Q1-2012;</u> <u>iii. make room to reverse any possible slippage recorded in 2011;</u> <u>iv. suspend all promotions in 2012;</u> v. reduce the overall budgetary cost of health benefits schemes for government employees schemes (ADSE, ADM and SAD) <u>on the basis of the measures presented below under 'Health care system'</u> ; vi. savings from the public administration restructuring on the basis of the measures presented below under 'Public administration'.	1.4	1.4. Ensure that the public sector wage bill decreases in gross terms in 2012 by at least EUR 3,000 million: i. reduce wages for all general government sector employees in 2012 by (i) suspending the 13th and 14th monthly salary payments for those workers with monthly salaries of EUR 1,100 or more, (ii) suspending on average and in a progressive way the equivalent of one of those two salaries for those workers with monthly salaries between EUR 600 and EUR 1,100. Similar measures will apply to all SOEs classified inside and outside the perimeter of the government sector, and in any other public entity even if falling outside the perimeter of the government sector; ii. reduce the number of government employees by (i) limiting staff admissions in order to achieve annual decreases of 2 per cent (full-time equivalent) in 2012-2014 in the permanent staff of central, regional and local governments, (ii) decreasing the number of temporary positions in specific areas of public administration. iii. make room to reverse any possible slippage recorded in 2011; iv. suspend all promotions in 2012; v. reduce the overall budgetary cost of health benefits schemes for government employees schemes (ADSE, ADM and SAD) on the basis of the measures presented below under 'Health care system'; vi. savings from the public administration restructuring on the basis of the measures presented below under 'Public administration'.
1.10	1.10. Control costs in health sector on the basis of detailed measures listed below under 'Health-care system', achieving savings worth EUR 550 million.	1.9	1.9. Control costs in health sector on the basis of detailed measures listed below under 'Health-care system', <u>achieving savings worth some EUR 1000 million.</u>	1.6	1.6. Control costs in health sector on the basis of detailed measures listed below under 'Health-care system', achieving savings worth some EUR 1000 million.
1.11	1.11. Reduce pensions above EUR 1,500 according to the progressive rates applied to the wages of the public sector as of January 2011, with the aim of yielding savings of at least EUR 445 million.	1.8	1.8. Reduce pension <u>expenditure in gross terms in 2012 by at least EUR 1,140 million by: (i) suspending the 13th and 14th monthly payments for those pensioners with monthly pension benefits of EUR 1100 or more, (ii) suspending on average and in a progressive way the equivalent of one of those monthly benefits for those with monthly pension benefits between EUR 600 and EUR 1100. The pensions of those receiving benefits below EUR 600 will be frozen and the lowest pensions will be marginally increased. In case a pensioner receives more than one pension, the consolidated pension income will be considered for the application of the thresholds defined here. These rules will also apply to subventions or subsidies paid by the government that take the nature of pensions even if designed otherwise.</u>	1.5	1.5. Reduce pension expenditure in gross terms in 2012 by at least EUR 1,140 million by: (i) suspending the 13th and 14th monthly payments for those pensioners with monthly pension benefits of EUR 1100 or more, (ii) suspending on average and in a progressive way the equivalent of one of those monthly benefits for those with monthly pension benefits between EUR 600 and EUR 1100. The pensions of those receiving benefits below EUR 600 will be frozen and the lowest pensions will be marginally increased. In case a pensioner receives more than one pension, the consolidated pension income will be considered for the application of the thresholds defined here. These rules will also apply to subventions or subsidies paid by the government that take the nature of pensions even if designed otherwise.
1.12	1.12. Suspend application of pension indexation rules and freeze pensions, except for the lowest pensions, in 2012.				
1.13	1.13. Reform unemployment insurance on the basis of detailed measures listed below under 'Labour market and education', yielding medium-term savings of around EUR 150 million.		<u>Nota: ver parágrafo 1.28</u>		<u>Nota: ver parágrafo 1.25</u>
1.14	1.14. Reduce transfers to local and regional authorities by at least EUR 175 million with a view to having this subsector contributing to fiscal consolidation.	1.14	1.14. Reduce transfers to local and regional authorities by at least EUR 175 million with a view to having <u>these subsectors</u> contributing to fiscal consolidation.	1.11	1.11. Reduce transfers to local and regional authorities by at least EUR 175 million with a view to having these subsectors contributing to fiscal consolidation.

Versão Inicial do MoU 17 de maio de 2011		3.ª Revisão do MoU 15 de março de 2012		4.ª Revisão do MoU 27 de junho de 2012	
§		§		§	
1.15	1.15. Reduce costs in other public bodies and entities by at least EUR 110 million.	1.16	1.16. Reduce costs in other public bodies and entities <u>and in transfers and subsidies to SOEs classified outside the perimeter of the general government on an ESA95 basis by at least EUR 90 million. These SOEs at the level of central, regional will carry out adjustment efforts similar to those SOEs classified inside the perimeter of the general government on a ESA95 basis as listed above, namely by: rationalising investment plans for the medium term; sustaining an average permanent reduction in operating costs by at least 15 per cent; tightening compensation schemes and fringe benefits; increasing revenues from market activities, including by raising tariffs and prices charged. These adjustments will also be instrumental to contain risks that the financial situation of some of these SOEs put to government accounts in 2012 and beyond.</u>	1.13	1.13. Reduce costs in other public bodies and entities and in transfers and subsidies to SOEs classified outside the perimeter of the general government on an ESA95 basis by at least EUR 90 million. These SOEs at the level of central, regional will carry out adjustment efforts similar to those SOEs classified inside the perimeter of the general government on a ESA95 basis as listed above, namely by: rationalising investment plans for the medium term; sustaining an average permanent reduction in operating costs by at least 15 per cent; tightening compensation schemes and fringe benefits; increasing revenues from market activities, including by raising tariffs and prices charged. These adjustments will also be instrumental to contain risks that the financial situation of some of these SOEs put to government accounts in 2012 and beyond.
1.16	1.16. Reduce costs in State-owned enterprises (SOEs) with the aim of saving at least EUR 515 million by means of: i. sustaining an average permanent reduction in operating costs by at least 15%; ii. tightening compensation schemes and fringe benefits; iii. rationalisation of investment plans for the medium term; iv. increase their revenues from market activities.	1.10	1.10. Reduce costs with SOEs <u>classified inside the perimeter of the general government on a ESA95 basis with the aim of saving at least EUR 500 million</u> by means of: i. sustaining an average permanent reduction in operating costs by at least 15 per cent; ii. tightening compensation schemes and fringe benefits <u>in line with the rest of the government sector;</u> iii. rationalising investment plans for the medium term. <u>The increase in EU cofinancing rates allowed for countries under an Economic Adjustment Programme and a re-programming of EU funds in the context of the current National Strategic Reference Framework (NSRF) will also give a contribution to this end;</u> iv. <u>SOEs will also relieve pressure on government accounts by raising their revenue coming from market activities, including by raising tariffs and prices.</u>	1.7	1.7. Reduce costs with SOEs classified inside the perimeter of the general government on a ESA95 basis with the aim of saving at least EUR 500 million by means of: i. sustaining an average permanent reduction in operating costs by at least 15 per cent; ii. tightening compensation schemes and fringe benefits in line with the rest of the government sector; iii. rationalising investment plans for the medium term. The increase in EU cofinancing rates allowed for countries under an Economic Adjustment Programme and a re-programming of EU funds in the context of the current National Strategic Reference Framework (NSRF) will also give a contribution to this end; iv. SOEs will also relieve pressure on government accounts by raising their revenue coming from market activities, including by raising tariffs and prices.
1.17	Permanently reduce capital expenditure by EUR 500 millions by prioritizing investment projects. Make more intensive use of funding opportunities provided by EU structural funds, while preserving the basic competitiveness approach agreed with the European Commission in the context of the current National Strategic Reference Framework (NSRF).	1.12	1.12. Reduce capital expenditure by <u>EUR 200 million</u> by prioritising investment projects <u>and making</u> more intensive use of funding opportunities provided by EU <u>structural funds. The increase in EU co-financing rates allowed for countries under an Economic Adjustment Programme and a re-programming of EU funds in the context of the current National Strategic Reference Framework (NSRF) will give an important contribution to this end.</u>	1.9	1.9. Reduce capital expenditure by EUR 200 million by prioritising investment projects and making more intensive use of funding opportunities provided by EU structural funds. The increase in EU co-financing rates allowed for countries under an Economic Adjustment Programme and a re-programming of EU funds in the context of the current National Strategic Reference Framework (NSRF) will give an important contribution to this end.
		1.13	1.13. Reduce cash social transfers (other than pensions) by at least EUR 180 million by tightening eligibility criteria and decreasing average benefits in selected cases.	1.10	1.10. Reduce cash social transfers (other than pensions) by at least EUR 180 million by tightening eligibility criteria and decreasing average benefits in selected cases.
1.18	1.18. Introduction of a standstill rule to all tax expenditure, blocking the creation of new items of tax expenditure and the enlargement of existing items. The rule will apply to all kinds of tax expenditure, of a temporary or permanent nature, at the central, regional or local level.	1.17	1.17. Introduction of a standstill rule to all tax expenditure, blocking the creation of new items of tax expenditure and the enlargement of existing items. The rule will apply to all kinds of tax expenditure, of a temporary or permanent nature, at the central, regional or local level.	1.14	1.14. Introduction of a standstill rule to all tax expenditure, blocking the creation of new items of tax expenditure and the enlargement of existing items. The rule will apply to all kinds of tax expenditure, of a temporary or permanent nature, at the central, regional or local level.
1.19	1.19. Reduction of corporate tax deductions and special regimes, with a yield of at least EUR 150 million in 2012. Measures include: i. abolishing all reduced corporate income tax rates; ii. limiting the deductions of losses in previous years according to taxable matter and reducing the carry-forward period to three years; iii. reducing tax allowances and revoking subjective tax exemptions; iv. curbing tax benefits, namely those subject to the sunset clause of the Tax Benefit Code, and strengthening company car taxation rules; v. proposing amendments to the regional finance law to limit the reduction of corporate income tax in autonomous regions to a maximum of 20% vis-à-vis the rates applicable in the mainland.	1.20	1.20. <u>Increase corporate tax revenues by at least EUR 330 million in 2012 by:</u> i. abolishing all reduced corporate income tax rates; ii. limiting the deductions of losses in previous years <u>to 75 per cent of the taxpayer's taxable profit;</u> iii. curbing tax benefits; <u>iv. increasing the rates and the basis of the state surcharge on corporate profits.</u>	1.17	1.17. Increase corporate tax revenues by at least EUR 330 million in 2012 by: i. abolishing all reduced corporate income tax rates; ii. limiting the deductions of losses in previous years to 75 per cent of the taxpayer's taxable profit; iii. curbing tax benefits; iv. increasing the rates and the basis of the state surcharge on corporate profits.

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
1.20	1.20. Reduction of personal income tax benefits and deductions, with a yield of at least EUR 150 million in 2012. Measures include: i. capping the maximum deductible tax allowances according to tax bracket with lower caps applied to higher incomes and a zero cap for the highest income brackets; ii. applying separate caps on individual categories by (a) introducing a cap on health expenses; (b) eliminating the deductibility of mortgage principal and phasing out the deductibility of rents and of mortgage interest payments for owner-occupied housing; eliminate interest income deductibility for new mortgages (c) reducing the items eligible for tax deductions and revising the taxation of income in kind; iii. proposing amendments to the regional finance law to limit the reduction of personal income tax in autonomous regions to a maximum of 20% vis-à-vis the rates applicable in the mainland.	1.19	1.19. Increase personal income taxes with a yield of at least EUR 265 million in 2012 (taking into account the losses of revenues as result of the reductions of public wages and pension incomes listed under 1.8 and 1.9 above) by: i. capping and cutting substantially (by two thirds overall) tax allowances for health expenditure; ii. (i) eliminating the deductibility of mortgage principal; (ii) eliminating interest income deductibility for new mortgages; (iii) phasing out the deductibility of mortgage interest payments for owner-occupied housing and of rents; iii. harmonising personal income tax deductions applied to pensions and labour income; iv. capping the maximum deductible tax allowances according to tax bracket for most of the income brackets except the bottom two with lower caps applied to higher incomes and a zero cap for the two highest income brackets; v. revising the taxation of income in kind; vi. introducing a surcharge on the income of the top tax bracket and increasing the tax rate on capital gains; vii. the one-time surcharge in the context of the personal income tax in 2011 that will be collected in 2012.	1.16	1.16. Increase personal income taxes with a yield of at least EUR 265 million in 2012 (taking into account the losses of revenues as result of the reductions of public wages and pension incomes listed under 1.8 and 1.9 above) by: i. capping and cutting substantially (by two thirds overall) tax allowances for health expenditure; ii. (i) eliminating the deductibility of mortgage principal; (ii) eliminating interest income deductibility for new mortgages; (iii) phasing out the deductibility of mortgage interest payments for owner-occupied housing and of rents; iii. harmonising personal income tax deductions applied to pensions and labour income; iv. capping the maximum deductible tax allowances according to tax bracket for most of the income brackets except the bottom two with lower caps applied to higher incomes and a zero cap for the two highest income brackets; v. revising the taxation of income in kind; vi. introducing a surcharge on the income of the top tax bracket and increasing the tax rate on capital gains; vii. the one-time surcharge in the context of the personal income tax in 2011 that will be collected in 2012.
1.21	1.21. Apply personal income taxes to all types of cash social transfers and ensure convergence of personal income tax deductions applied to pensions and labour income with the aim of raising at least EUR 150 million in 2012.				
1.22	1.22. Changes in property taxation to raise revenue by at least EUR 250 million by reducing substantially the temporary exemptions for owner-occupied dwellings. Transfers from the central to local governments will be reviewed to ensure that the additional revenues are fully used for fiscal consolidation.	1.22	1.22. Change property taxation to raise revenue by at least EUR 50 million by reducing substantially the temporary exemptions for owner-occupied dwellings acquired as of 2012 and by increasing rates.	1.19	1.19. Change property taxation to raise revenue by at least EUR 50 million by reducing substantially the temporary exemptions for owner-occupied dwellings acquired as of 2012 and by increasing rates.
1.23	1.23. Raise VAT revenues to achieve a yield of at least EUR 410 million for a full year by: i. reducing VAT exemptions; ii. moving categories of goods and services from the reduced and intermediate VAT tax rates to higher ones; iii. proposing amendments to the regional finance law to limit the reduction of VAT in the autonomous regions to a maximum of 20% vis-à-vis the rates applicable in the mainland.	1.18	1.18. Raise VAT revenues through an increase in the efficiency of the VAT structure with a yield of at least EUR 2,024 million in 2012. For this purpose, a set of categories of goods and services were moved from the reduced and intermediate VAT rates to higher ones. This includes the additional impact of the increase in the VAT rate for natural gas and electricity to the standard rate introduced in October 2011.	1.15	1.15. Raise VAT revenues through an increase in the efficiency of the VAT structure with a yield of at least EUR 2,024 million in 2012. For this purpose, a set of categories of goods and services were moved from the reduced and intermediate VAT rates to higher ones. This includes the additional impact of the increase in the VAT rate for natural gas and electricity to the standard rate introduced in October 2011.
1.24	1.24. Increase excise taxes to raise at least EUR 250 million in 2012. In particular by: i. raising car sales tax and cutting car tax exemptions; ii. raising taxes on tobacco products; iii. indexing excise taxes to core inflation; iv. introducing electricity excise taxes in compliance with EU Directive 2003/96.	1.21	1.21. Increase excise taxes to raise at least EUR 200 million in 2012 . In particular by: i. raising taxes on car sales, tobacco and alcohol products; ii. introducing electricity excise taxes in compliance with EU Directive 2003/96; iii. indexing excise taxes to core inflation.	1.18	1.18. Increase excise taxes to raise at least EUR 200 million in 2012. In particular by: i. raising taxes on car sales, tobacco and alcohol products; ii. introducing electricity excise taxes in compliance with EU Directive 2003/96; iii. indexing excise taxes to core inflation.
1.25	1.25. Increase efforts to fight tax evasion, fraud and informality to raise revenue by at least EUR 175 million in 2012.	1.23	1.23. Increase efforts to fight tax evasion, fraud and informality to raise revenue by at least EUR 175 million for various types of taxes inter alia by increasing means available for audits, increasing penalties for the most serious tax crimes and introducing electronically-transmitted invoices.	1.20	1.20. Increase efforts to fight tax evasion, fraud and informality to raise revenue by at least EUR 175 million for various types of taxes inter alia by increasing means available for audits, increasing penalties for the most serious tax crimes and introducing electronically-transmitted invoices.
1.26	1.26. The government achieves a general government deficit of no more than EUR 5,224 million in 2013 . [Q4-2013]	1.24	1.24. The government will achieve a general government deficit of 3 percent of GDP or below . [Q4-2013]	1.21	1.21. The government will achieve a general government deficit of 3 percent of GDP or below. [Q4-2013] The government will assess the budgetary scope for stimulating the demand for labour through tax changes. Aiming at achieving the positive effects in the longrun, beyond the cyclical downturn, the government will explore ways to design a targeted and deficit-neutral cut in the employers' social security contribution rate within a budgetary envelope of around 0.5 percent of GDP. Targeting could inter alia concern younger or lower income workers. Specific proposals for introducing such a cut in the context of the 2013 budget will be put forward at the Fifth Review.

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
1.27	1.27. Throughout the year, the government will rigorously implement the Budget Law for 2013. Progress will be assessed against the (cumulative) quarterly deficit ceilings in the Memorandum of Economic and Financial Policies (MEFP), including the Technical Memorandum of Understanding (TMU). [Q1, Q2, Q3 and Q4-2013]	1.25	1.25. Throughout the year, the government will rigorously implement the Budget Law for 2013. <u>Within the year</u> , progress will be assessed against the (cumulative) quarterly ceilings <u>for the consolidated general government cash balance</u> in the Memorandum of Economic and Financial Policies (MEFP), <u>as defined in the</u> Technical Memorandum of Understanding (TMU), <u>without prejudice to full-year ESA-95 deficit targets</u> . [Q1, Q2, Q3 and Q4-2013]	1.22	1.22. Throughout the year, the government will rigorously implement the Budget Law for 2013. Within the year, progress will be assessed against the (cumulative) quarterly ceilings for the consolidated general government cash balance in the Memorandum of Economic and Financial Policies (MEFP), as defined in the Technical Memorandum of Understanding (TMU), without prejudice to full-year ESA-95 deficit targets. [Q1, Q2, Q3 and Q4-2013]
1.28	1.28. The following measures will be carried out with the 2013 Budget Law [Q4-2012], unless otherwise specified:	1.26	1.26. The measures listed below will be <u>detailed and</u> carried out with the 2013 Budget Law [Q4-2012], unless otherwise specified:	1.23	1.23. The measures listed below will be detailed and carried out with the 2013 Budget Law [Q4-2012], unless otherwise specified:
1.29	1.29. Further <u>deepening of the</u> measures introduced in the 2012 Budget Law with a view of reducing expenditure in the area of: i. central administration functioning: EUR 500 million. Detailed plans will be presented and assessed before Q3-2012; ii. education and school network rationalization: EUR 175 million; iii. wage bill: annual decreases of 1% per year in headcounts of central administration and 2% in local and regional administrations; iv. health benefits schemes for government employees: EUR 100 million. v. health sector: EUR 375 million; vi. transfers to local and regional authorities: EUR 175 million; vii. costs in other public bodies and entities, and in SOEs: EUR 175 million; viii. capital expenditure: EUR 350 million; ix. maintain the suspension of pension indexation rules except for the lowest pensions in 2013.	1.27	1.27. Further measures introduced in the 2012 Budget Law with a view to reducing expenditure in the area of: i. central administration functioning: EUR 500 million. Detailed plans will be presented and assessed [Q3-2012]; ii. wage bill: <u>decrease of 2 per cent (full-time equivalent) in the permanent staff of central, regional and local governments and decrease the number of temporary positions in specific areas of public administration</u> ; iii. health sector: EUR 375 million; iv. capital expenditure: EUR 350 million; v. transfers to local and regional authorities: EUR 175 million; vi. education and school network rationalisation: EUR 175 million; vii. costs in other public bodies and entities, and in SOEs: EUR 175 million; viii. health benefits schemes for government employees: EUR 100 million; <u>ix. freeze wages and pensions except for the lowest pensions</u> .	1.24	1.24. Further measures introduced in the 2012 Budget Law with a view to reducing expenditure in the area of: i. central administration functioning: EUR 500 million. Detailed plans will be presented and assessed [Q3-2012]; ii. wage bill: decrease of 2 per cent (full-time equivalent) in the permanent staff of central, regional and local governments and decrease the number of temporary positions in specific areas of public administration; iii. health sector: EUR 375 million; iv. capital expenditure: EUR 350 million; v. transfers to local and regional authorities: EUR 175 million; vi. education and school network rationalisation: EUR 175 million; vii. costs in other public bodies and entities, and in SOEs: EUR 175 million; viii. health benefits schemes for government employees: EUR 100 million; ix. freeze wages and pensions except for the lowest pensions.
1.30	1.30. In addition, the government will extend the use of means testing and better target social support achieving a reduction in social benefits expenditure of at least EUR 350 million.	1.28	1.28. In addition, the government will extend the use of means testing and better target social support achieving a reduction in social benefits expenditure of at least <u>EUR 250 million</u> , <u>Social transfers will also decline following the implementation of the measures on unemployment insurance listed below under 'Labour market and education'</u> .	1.25	1.25. In addition, the government will extend the use of means testing and better target social support achieving a reduction in social benefits expenditure of at least EUR 250 million. Social transfers will also decline following the implementation of the measures on unemployment insurance listed below under 'Labour market and education'.
1.31	1.31. Further deepening of the measures introduced in 2012 Budget Law, leading to extra revenue in the following areas: i. corporate tax bases and reduce tax benefits and tax deductions: EUR 150 million; ii. personal income tax benefits and tax deductions: EUR 175 million; <u>iii. taxation of all types of cash social transfers and convergence of personal income tax deductions for pensions and labour income: EUR 150 million</u> ; iv. excise taxes: EUR 150 million.	1.29	1.29. Further measures introduced in 2012 Budget Law, leading to extra revenue in the following areas: i. personal income tax benefits and tax deductions: EUR 175 million; ii. <u>broaden</u> corporate tax bases and reduce tax benefits and tax deductions: EUR 150 million; iii. excise taxes: EUR 150 million.	1.26	1.26. Further measures introduced in 2012 Budget Law, leading to extra revenue in the following areas: i. personal income tax benefits and tax deductions: EUR 175 million; ii. broaden corporate tax bases and reduce tax benefits and tax deductions: EUR 150 million; iii. excise taxes: EUR 150 million.
1.32	1.32. Update the notional property value of real estate assets for tax purposes to raise revenue by at least EUR 150 million in 2013. Transfers from the central to local governments will be reviewed to ensure that the additional revenues are fully used for fiscal consolidation.	1.30	1.30. Update the notional property value of all real estate assets for tax purposes to raise revenue <u>by at least EUR 250 million in 2013</u> . Transfers from the central to local governments will be reviewed to ensure that the additional revenues are fully used for fiscal consolidation.	1.27	1.27. Update the notional property value of all real estate assets for tax purposes to raise revenue by at least EUR 250 million in 2013. Transfers from the central to local governments will be reviewed to ensure that the additional revenues are fully used for fiscal consolidation.
1.33	1.33. The government will aim at achieving a general government deficit of no more than EUR 4,521 millions in 2014. The necessary measures will be defined in the 2014 Budget Law. [Q4-2013]	1.31	1.31. The government will aim at achieving a general government deficit <u>in 2014 in line with the Medium-Term Fiscal Strategy defined in August 2011</u> . The necessary measures will be defined in the 2014 Budget Law. [Q4-2013]	1.28	1.28. The government will aim at achieving a general government deficit in 2014 in line with the Medium-Term Fiscal Strategy defined in April 2012. The necessary measures will be defined in the 2014 Budget Law. [Q4-2013]
1.34	1.34. <u>Throughout the year, the Government will rigorously implement the Budget Law for 2014</u> . Progress will be assessed against the (cumulative) quarterly deficit ceilings in the Memorandum of Economic and Financial Policies (MEFP), including the Technical Memorandum of Understanding (TMU). [Q1 and Q2-2014]	1.32	1.32. <u>Within the year</u> , progress will be assessed against the (cumulative) quarterly ceilings <u>for the consolidated general government cash balance</u> in the Memorandum of Economic and Financial Policies (MEFP), <u>as defined in the</u> Technical Memorandum of Understanding (TMU), <u>without prejudice to full-year ESA-95 deficit targets</u> . [Q1 and Q2-2014]	1.29	1.29. Within the year, progress will be assessed against the (cumulative) quarterly ceilings for the consolidated general government cash balance in the Memorandum of Economic and Financial Policies (MEFP), as defined in the Technical Memorandum of Understanding (TMU), without prejudice to full-year ESA-95 deficit targets. [Q1 and Q2-2014]

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
1.35	1.35. With the 2014 Budget Law, the Government will further deepen the measures introduced in the 2012 and 2013 with a view in particular to broadening tax bases and moderating primary expenditure to achieve a declining ratio of government expenditure over GDP.		With the 2014 Budget Law, the government will further deepen the measures introduced in the 2012 and 2013 with a view in particular to broadening tax bases and moderating primary expenditure to achieve a declining ratio of government expenditure over GDP.		With the 2014 Budget Law, the government will further deepen the measures introduced in the 2012 and 2013 with a view in particular to broadening tax bases and moderating primary expenditure to achieve a declining ratio of government expenditure over GDP.
3. Fiscal-structural measures					
3.1	3.1. Approve a standard definition of arrears and commitments. [Q2-2011]		[Texto suprimido]		
3.2	3.2. Conduct and publish a comprehensive survey of arrears by end-August 2011 covering all categories of expenditure payables as at the end of June 2011. All general government entities and SOEs classified outside the general government will be covered by this survey.		[Texto suprimido]		
3.3	3.3. Enhance the existing monthly reporting on budgetary execution on a cash basis for the general government, including on a consolidated basis. The monthly reporting perimeter currently includes the State, Other public bodies and entities, Social Security, regional and local governments and it will be progressively expanded to include all SOEs and PPPs reclassified within the general government and local governments. [Q3-2011]		[Texto suprimido]		
3.4	3.4. The existing annual report on tax expenditures will be improved, starting with the 2012 budget, in line with international best practices. The report will cover central, regional and local administrations. Technical assistance may be provided if necessary. [Q3-2011] A comprehensive inventory of the existing tax expenditures, by type of tax, along with their policy costs estimates will be prepared by Q2-2011.	3.3	3.3. Following the inventory on tax expenditures, the authorities are making progress on the annual report on tax expenditures to be completed by Q1-2012 in cooperation with EC and IMF staff. This tax expenditure report will be published each year as part of the budget, in line with international best practices. The report will cover central, regional and local administrations.	3.2	3.2. Publish a tax expenditure report each year as part of the budget. The report will define a clear methodology to estimate and to evaluate tax expenditures, in line with international best practices. The report will cover central, regional and local administrations.
3.5	3.5. Develop intra-annual targets, and corrective measures in case of deviation from targets, for [Q3-2011]: i. internal monthly cash balance, expenditure, revenue targets for the general government as defined in national accounts; ii. public quarterly balance targets for the general government as defined in national accounts.	3.1	3.1. Publish quarterly cash balance targets for the general government as defined in national accounts and corrective measures in case of deviation from targets. [Q1-2012]		[Texto suprimido]
3.6	3.6. Implement any changes to the budget execution rules and procedures necessary to align with the standard definition of arrears and commitments. Meanwhile, existing commitment control procedures will be enforced for all types of expenditure across the general government. Technical assistance may be provided if necessary. [Q4-2011]	3.5	3.5. Implement any changes to the budget execution rules and procedures necessary to align them with the new law on commitments control. The law will be implemented across all general government entities including the regional and local administration and the SOE hospitals. The Inspeção Geral de Finanças (IGF) will carry out inspections to verify compliance of the commitment control system through a risk based approach. [Q2-2012]	3.5	3.5. The law on commitments control will be implemented across all general government entities including the regional and local administration and the SOE hospitals; the government will work with these entities so that the necessary changes in the systems are done by end-July. The Inspeção Geral de Finanças (IGF) will carry out inspections throughout the process to verify compliance of the commitment control system through a risk based approach. IGF will reinforce the verification of local governments' arrears claims and commitment control systems.
3.7	3.7. Following the survey, prepare a consolidated monthly report on arrears for the general government sector. The general government perimeter will be defined as in national accounts. [Q3-2011]				
		3.6	3.6. The stock of domestic arrears will be significantly reduced by the end of the program period. To this effect, a revised strategy document will be approved by the Council of Ministers, before the supplementary budget is submitted to Parliament. The strategy document will lay out the prioritization criteria for paying creditors, as well as governance arrangements to ensure a fair and transparent settling process across all sectors. IGF will be responsible for validating the claims (valuation, existence, title, age). Payments will only be made in connection to arrears that have been properly validated and whose originating entity has changed its commitment system in accordance with the new law.	3.6	3.6. The stock of domestic arrears will be significantly reduced by the end of the programme period. A significant part of the existing arrears will be reduced as laid down in the strategy for the settlement of arrears. [Q3-2012]

Versão Inicial do MoU 17 de maio de 2011		3.ª Revisão do MoU 15 de março de 2012		4.ª Revisão do MoU 27 de junho de 2012	
§		§		§	
				3.7	3.7. Prepare a document detailing the procedures and responsible units for monitoring, controlling and auditing the programme agreed between the government and the local authorities for the settlement of arrears ("Programa de Apoio à Economia Local") [July-2012]. Transparency of the use of the credit line will be ensured through the monthly publication of the amounts lent, disbursed, and used to settle arrears and other liabilities by municipality [Q3-2012].
3.8	3.8. Publish quarterly accounts for State-Owned Enterprises (SOEs) at the latest 45 days after the end of the quarter. It should start with the 30 largest SOEs that are consolidated in the general government but as a general rule all SOEs should follow the same reporting standards. [Q4-2011]		[Texto suprimido]		
3.9	3.9. Publish information on: number of general government staff on a quarterly basis (no later than 30 days after the end of the quarter); Stock and flows over the relevant period per Ministry or employment entity (i.e. new hiring, retirement flows, and exit to other government service, private sector or unemployment); average wage, allowances and bonuses. [Q1-2012]		[Texto suprimido]		
3.10	3.10. Approve a standard definition of contingent liabilities. [Q2-2011]		[Texto suprimido]		
3.11	3.11. Publish a comprehensive report on fiscal risks each year as part of the budget, starting with the 2012 budget . The report will outline general fiscal risks and specific contingent liabilities to which the Government may be exposed, including those arising from Public-Private Partnerships (PPPs), SOEs and explicit guarantees to the banks. [Q3-2011]	3.2	3.2. Publish a comprehensive report on fiscal risks each year as part of the budget. The report will outline general fiscal risks and specific contingent liabilities to which the general government may be exposed, including those arising from Public-Private Partnerships (PPPs), SOEs and explicit guarantees to the banks. This year the fiscal risks report in the 2012 Budget will be enhanced, in cooperation with the EC and IMF staff and published by April-2012.	3.1	3.1. Publish a comprehensive report on fiscal risks each year as part of the budget. The report will outline general fiscal risks and specific contingent liabilities to which the general government may be exposed, including those arising from Public-Private Partnerships (PPPs), SOEs and explicit guarantees to the banks. Technical assistance will be provided if necessary.
		3.4	3.4. To further advance the reform of the budgetary monitoring system, a proposal to reduce budgetary fragmentation will be submitted by [Q2-2012].	3.3	3.3. To further advance the reform of the budgetary monitoring system, a proposal to reduce budgetary fragmentation will be submitted by [Q2-2012].
				3.4	3.4. Prepare, in consultation with the EC and the IMF, a dedicated document, which will accompany the budget report, assessing reform progress in the area of public financial management and delineating next steps over the next three years. [Q3-2012]
3.12	3.12. Publish a fiscal strategy document for the general government by end-August 2011 and annually thereafter in April for the Stability Programme . The document will specify 4-year medium-term economic and fiscal forecasts and 4-year costs of new policy decisions. Budgets will include a reconciliation of revisions to the 4 year fiscal forecasts attributable to policy decisions and parameter revisions e.g. policy decisions, changes in the macroeconomic environment.	3.7	3.7. Publish a fiscal strategy document for the general government annually in April. The document will be in compliance with the requirements of the Stability and Growth Pact and will specify 4-year medium-term economic and fiscal forecasts and 4-year costs of new policy decisions. Budgets will include a reconciliation of revisions to the 4 year fiscal forecasts attributable to policy decisions and parameter revisions e.g. policy decisions, changes in the macroeconomic environment.	3.8	3.8. Publish a fiscal strategy document for the general government annually in April. The document will be in compliance with the requirements of the Stability and Growth Pact and will specify 4-year medium-term economic and fiscal forecasts and 4-year costs of new policy decisions. Budgets will include a reconciliation of revisions to the 4 year fiscal forecasts attributable to policy decisions and parameter revisions e.g. policy decisions, changes in the macroeconomic environment.
3.13	3.13. Ensure full implementation of the Budgetary Framework Law adopting the necessary legal changes, including to the regional and local finance laws: [Q3-2011] i. The general government perimeter will cover the State, Other public bodies and entities, Social Security, SOEs and PPPs reclassified within the general government and local and regional administrations. ii. Define in detail the proposed characteristics of the medium-term budgetary framework, including medium-term fiscal strategy, decision-making and prioritisation process, carry over rules, commitment controls; and appropriate contingency reserves and related access rules. [Q3-2011]	3.8	3.8. Ensure full implementation of the Budgetary Framework Law adopting the necessary legal changes to define in detail the proposed characteristics of the medium-term budgetary framework, including medium-term fiscal strategy, decision-making and prioritisation process, carry-over rules, commitment controls, and appropriate contingency reserves and related access rules. [Q2-2012]	3.9	3.9. Review the Budget Framework Law to take account of the reinforced EU fiscal framework and the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (fiscal compact). The revised law will also accommodate the developments in the regional and local financing laws. [Q4-2012]
				3.10	3.10. Define in detail the characteristics of the medium-term budgetary framework, including medium-term fiscal strategy, decision-making and prioritisation process, carry-over rules, commitment controls, and appropriate contingency reserves and related access rules after modification of the Budget Framework Law. [April-2013]

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
3.14	3.14. A proposal to revise the local and regional finance laws will be submitted to Parliament in order to fully adapt the local and regional financing framework to the principles and rules adopted by the recently revised Budgetary Framework Law, namely in what concerns (i) the inclusion of all relevant public entities in the perimeter of local and regional government; (ii) the multi-annual framework with expenditure, budget balance and indebtedness rules, and programme budgeting; and (iii) the interaction with the function of the Fiscal Council. [Q4-2011]	3.11	3.11. <u>The budgetary frameworks at local and regional levels will be considerably strengthened, in line with recommendations by the IMF/EC technical assistance mission of July 2011 and the new EU fiscal policy framework.</u> A draft proposal to revise the regional finance law and the local finance law <u>will be discussed with EC/IMF/ECB by [Q2-2012] and submitted to Parliament by [Q4-2012]. They will include the following main elements:</u> i. fully adapt the local and regional budgetary frameworks to the principles and rules in the revised Budgetary Framework Law, namely in what concerns (i) the inclusion of all relevant public entities in the perimeter of local and regional government; (ii) the multi-annual framework with expenditure, budget balance and indebtedness rules, and programme budgeting; and (iii) the interaction with the function of the Fiscal Council. <u>The revision will also foresee that: (i) the Fiscal Council reviews local and regional governments own revenue projections and multi-annual fiscal plans (ii) a contingency reserve is included under the overall current expenditure envelope as a buffer against negative revenue surprises or erroneous expenditure planning, and (iii) the revised legal and institutional PPP framework is applied (see below).</u> ii. <u>strengthen fiscal accountability, in particular by: i) tighter financial requirements for regional and local SOEs and other regional and local public bodies; ii) a revision of the regime of transfers between the State and the regions and the local authorities; iii) strengthening the supervisory power from the State on budgetary execution and iv) apply tighter debt ceilings combined with the adoption of a multi-tiered monitoring system as suggested by the July 2011 technical assistance mission. This reform should follow international best practices.</u> iii. <u>limit the scope for lower tax rates in the Autonomous Regions vis-à-vis the rates applied in the mainland and ensure that the resulting additional revenues from increasing the regional rates are used as a priority for fiscal consolidation.</u>	3.12	3.12. The budgetary frameworks at local and regional levels will be considerably strengthened, in line with recommendations by the IMF/EC technical assistance mission of July 2011 and the new EU fiscal policy framework. A draft proposal to revise the regional finance law and the local finance law will be discussed with EC/IMF/ECB by [Q2-2012] and submitted to Parliament by [Q4-2012]. They will include the following main elements: i. fully adapt the local and regional budgetary frameworks to the principles and rules in the revised Budgetary Framework Law, namely in what concerns (i) the inclusion of all relevant public entities in the perimeter of local and regional government; (ii) the multi-annual framework with expenditure, budget balance and indebtedness rules, and programme budgeting; and (iii) the interaction with the function of the Fiscal Council. The revision will also foresee that: (i) the Fiscal Council reviews local and regional governments own revenue projections and multi-annual fiscal plans (ii) a contingency reserve is included under the overall current expenditure envelope as a buffer against negative revenue surprises or erroneous expenditure planning, and (iii) the revised legal and institutional PPP framework is applied (see below); ii. strengthen fiscal accountability, in particular by: (i) tighter financial requirements for regional and local SOEs and other regional and local public bodies; (ii) a revision of the regime of transfers between the State and the regions and the local authorities; (iii) strengthening the supervisory power from the State on budgetary execution and (iv) apply tighter debt ceilings combined with the adoption of a multi-tiered monitoring system as suggested by the July 2011 technical assistance mission. This reform should follow international best practices; iii. limit the scope for lower tax rates in the Autonomous Regions vis-à-vis the rates applied in the mainland and ensure that the resulting additional revenues from increasing the regional rates are used as a priority for fiscal consolidation.
				3.13	3.13. Create a working group with representatives from the Ministry of Finance, the Autonomous Regions and the local authorities to prepare a proposal for common revenue forecasting guidelines for subnational governments. [Q3-2012]
				3.14	3.14. Proceed with identifying data needs to support the revenue projections, balancing the need to preserve tax secrecy and the elaboration of sound forecasts by subnational governments. [Q3-2012]
3.15	3.15. The forecast underpinning the preparation of the budget and of the fiscal strategy document will be published, including supporting analysis and underlying assumptions. [Q3-2011]		[Texto suprimido]		
3.16	3.16. Adopt the Statutes of the Fiscal Council, based on the working group report of 6 April 2011. The Council will be operational in time for the 2012 budget. [Q3-2011]	3.9	3.9. <u>The Fiscal Council has been established and will be operational by [Q1-2012].</u>		[Texto suprimido]
		3.10	3.10. The government will ensure that the measures to implement the new budgetary framework at central government level will also be applied at regional and local level. Adequate structures of monitoring, fiscal reporting, and commitment control will be put into place. [Ongoing]	3.11	3.11. The government will ensure that the measures to implement the new budgetary framework at central government level will also be applied at regional and local level. Adequate structures of monitoring, fiscal reporting, and commitment control will be put into place. [Ongoing]
		3.12	3.12. The Government's financial arrangement with the Autonomous Region of Madeira (RAM), which is in full compliance with the Memorandum of Understanding, will be implemented. The Portuguese Government will monitor progress of implementation by RAM and present the results on a quarterly basis in advance of the reviews of the Memorandum of Understanding, <u>with a first report due in [April-2012].</u>	3.15	3.15. The Government's financial arrangement with the Autonomous Region of Madeira (RAM), which is in full compliance with the Memorandum of Understanding, will be implemented. The Portuguese Government will monitor progress of implementation by RAM and present the results on a quarterly basis in advance of the reviews of the Memorandum of Understanding <u>[Ongoing].</u>
3.18	3.18. Perform with the technical assistance from EC and the IMF, an initial assessment of at least the 20 most significant PPP contracts, including the major Estradas de Portugal PPPs, covering a wide range of sectors. [end-August 2011]		[Texto suprimido]		

Versão Inicial do MoU 17 de maio de 2011		3.ª Revisão do MoU 15 de março de 2012		4.ª Revisão do MoU 27 de junho de 2012	
§		§		§	
3.19	<p>3.19. The Government will recruit a top tier international accounting firm to undertake a more detailed study of PPPs in consultation with INE and the Ministry of Finance.</p> <p>The review will identify and, where practicable, quantify major contingent liabilities and any related amounts that may be payable by the Government. It will assess the probability of any payments by Government in relation to the contingent liabilities and quantify such amounts. The study, to be completed by end-March 2012, will assess the feasibility to renegotiate any PPP or concession contract to reduce the Government financial obligations. All PPPs and concession contracts will be available for these reviews. [Q4-2011]</p>	3.13	<p>3.13. <u>Sign a service contract to</u> recruit a top tier international accounting firm to undertake a more detailed study to <u>review PPP contracts of the central administration</u> in consultation with National Statistical Institute (INE) and the Ministry of Finance. <u>[March-2012].</u></p> <p>The review will identify and, where practicable, quantify major contingent liabilities and any related amounts that may be payable by the government. It will assess the probability of any payments by government in relation to the contingent liabilities and quantify such amounts. The study, to be completed <u>three months after the awarding of the contract</u>, will assess the costs and benefits of renegotiating any PPP or concession contract to reduce the government financial obligations. <u>The study will be the basis for a strategic plan specifying how to deal with existing PPPs and providing a framework for future engagements in PPPs. Until such a framework is in place the government will not engage in any new PPP.</u></p>	3.16	<p>3.16. <u>Complete</u> the study to assess the costs and benefits of renegotiating any PPP contract to reduce the government financial obligations <u>[Q2-2012].</u> The study will be the basis for a strategic plan specifying how to deal with existing PPPs and providing a framework for future engagements in PPPs. <u>For certain PPP and concession contracts, the renegotiation process started before the completion of the study, due to financial or legal imperatives. Other than these, final decisions on renegotiation will be taken after the study's conclusion and in consultation with the EC, ECB and the IMF. Regions will be encouraged to design a framework for assessing fiscal risks derived from PPP, concessions and other public investments, as well as for monitoring their execution. The requirements will be similar to those put in place at central level. [Q3-2012]</u></p>
3.17	<p>3.17. Avoid engaging in any new PPP agreement before the completion of the reviews on existing PPPs and the legal and institutional reforms proposed (see below). [Ongoing]</p>				
3.20	<p>3.20. Put in place a strengthened legal and institutional framework, within the Ministry of Finance, for assessing fiscal risks ex-ante of engaging into PPP, concessions and other public investments, as well as for monitoring their execution. The Court of Auditors must be informed of this ex-ante risk assessment. Technical assistance may be provided if necessary. [Q1-2012]</p>	3.14	<p>3.14. <u>In order to ensure a fiscally prudent model</u>, put in place a strengthened legal and institutional framework, within the Ministry of Finance, for assessing fiscal risks ex-ante of engaging into PPP, concessions and other public investments, as well as for monitoring their execution. The Court of Auditors must be informed of this ex-ante risk assessment. [Q1-2012]. <u>It will be ensured that the same commitments apply for regional PPPs, and that local governments do not enter into any PPP contracts.</u></p>		[Texto suprimido]
3.21	<p>3.21. Enhance the annual PPP and concessions report prepared by the Ministry of Finance in July with a comprehensive assessment of the fiscal risks stemming from PPPs and concessions. The report will provide information and analysis at sectoral level. The annual review of PPPs and concessions will be accompanied by an analysis of credit flows channelled to PPPs through banks (loans and securities other than shares) by industry and an impact assessment on credit allocation and crowding out effects. This particular element will be done in liaison with the Bank of Portugal. [Q2-2012]</p>	3.15	<p>3.15. Enhance the annual PPP and concessions report prepared by the Ministry of Finance with a comprehensive assessment of the fiscal risks stemming from PPPs and concessions. The report will provide information and analysis at sectoral level. The annual review of PPPs and concessions will be accompanied by an analysis of credit flows channelled to PPPs through banks (loans and securities other than shares) by industry and an impact assessment on credit allocation and crowding out effects. This particular element will be done in liaison with the Bank of Portugal. <u>[Q3-2012]</u></p>	3.17	<p>3.17. Enhance the annual PPP and concessions report prepared by the Ministry of Finance with a comprehensive assessment of the fiscal risks stemming from PPPs and concessions. The report will provide information and analysis at sectoral level. The annual review of PPPs and concessions will be accompanied by an analysis of credit flows channelled to PPPs through banks (loans and securities other than shares) by industry and an impact assessment on credit allocation and crowding out effects. This particular element will be done in liaison with the Banco de Portugal. [Q3-2012]</p>
3.22	<p>3.22. Report on concrete plans to reduce the overall operating costs of central government 10 State-owned enterprises (SOEs) posing the largest potential fiscal risks to the State by at least 15% over the 2009 levels and on a planned review of the tariff structure.</p>		[Texto suprimido]		
3.23	<p>3.23. Prepare a comprehensive assessment of the tariff structure of State-owned enterprises (SOEs) to reduce the degree of subsidisation. For the central government SOEs, the assessment will be done by end-July 2011, for local and regional government SOEs by end-September 2011. Review the level of service provisions of all SOEs. <u>[Q3-2011]</u></p>	3.16	<p>3.16. <u>SOEs with commercial activity will reach operational balance by end of 2012. This will be achieved by substantially reducing operational costs and raising revenues. To this end the government is implementing</u> the comprehensive SOEs strategy by reviewing the tariff structure and service provision of SOEs, with numerical targets on cost reductions, including measures to realign wages or reduce employment, and additional measures as appropriate. [Q4-2012]. A progress report will be prepared <u>by [Q2-2012].</u></p>	3.18	<p>3.18. SOEs with commercial activity will reach operational balance by end of 2012. This will be achieved by substantially reducing operational costs and raising revenues. To this end the government is implementing the comprehensive SOEs strategy by reviewing the tariff structure and service provision of SOEs, with numerical targets on cost reductions, including measures to realign wages or reduce employment, and additional measures as appropriate. [Q4-2012]. A progress report will be prepared <u>before the Fifth Review.</u></p>
3.24	<p>3.24. Review ongoing plans to reduce operational costs by the end of 2011 by at least 15% on average compared with 2009, proposing company specific cuts that are consistent with a realistic economic and financial assessment. For the central government SOEs, the review will be carried out by end-July 2011, for local and regional government SOEs by end-September 2011.</p>				
3.27	<p>3.27. Prepare a report reviewing the operations and finances of SOEs at central, regional and local government levels. The report will assess these companies' business financial prospects, the potential exposure of the government and scope for orderly privatisation. The Government will adopt the necessary legal changes to fulfill this requirement. Technical assistance will be provided. [Q1-2012]</p>	3.17	<p>3.17. <u>The authorities will assess SOEs'</u> financial prospects, potential government exposure, and scope for privatisation. <u>On this basis they will prepare restructuring plans for SOEs with significant risks of not achieving operational balance. Most subsidiaries and shareholdings in non-core activities will be eliminated by 2014 on the basis of concrete proposals on these divestments. [Q2-2012]</u></p>		[Texto suprimido]
3.25	<p>3.25. Apply tighter debt ceilings to SOEs from 2012 onwards. For the central government SOEs, the plans will be announced by end-July 2011, for local and regional government SOEs by end-September 2011.</p>		[Texto suprimido, mas reinserido numa estratégia mais global nos pontos seguintes]		

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
		3.18	3.18. The excessive increase in the overall borrowing requirements of the SOE sector, both inside and outside general government, will be limited. In parallel with progress towards eliminating operational deficits, a strategy for managing the heavy debt load of SOEs will be developed, including the sale of assets in non-core areas of these firms, and in consultation with staff from EC, ECB and IMF. [Q2-2012]	3.19	3.19. The government will prepare, in consultation with staff from the EC, ECB and IMF, a comprehensive strategy for managing the heavy debt load of all SOEs – including Parpublica. [July-2012]
3.26	3.26. Prepare a plan to strengthen governance of SOEs in accordance with international best practices. The plan will review the existing shareholder approach, giving the Ministry of Finance a decisive role in financial matters of the enterprises. [Q4-2011]	3.19	3.19. Prepare a a model to strengthen governance of SOEs in accordance with international best practices. It will review the existing shareholder approach, giving the Ministry of Finance a decisive role in financial matters of the enterprises, including in regional and local SOEs, while respecting the administrative autonomy as foreseen in the law. This will enhance the monitoring powers of the central administration over all SOEs. In addition, the timing and content of financial and operational reporting will be defined. The decisions adopted at central level to improve the efficiency of the enterprises while reducing their financial burden will be implemented at all SOEs, taking into account their specificities. It will include the prohibition for SOEs within the general government to incur new debt with the private sector. To this end, the government will submit to Parliament a draft law to regulate the creation and the governance of SOEs. [Q1-2012] No additional SOEs will be created until this law is adopted.	3.20	3.20. Submit to Parliament a draft law to strengthen governance of SOEs in accordance with international best practices. It will review the existing shareholder approach, giving the Ministry of Finance a decisive role in financial matters of the enterprises, including in regional and local SOEs, while respecting the administrative autonomy as foreseen in the law. This will enhance the monitoring powers of the central administration over all SOEs. In addition, the timing and content of financial and operational reporting will be defined. The decisions adopted at central level to improve the efficiency of the enterprises while reducing their financial burden will be implemented at all SOEs, taking into account their specificities. It will include the prohibition for SOEs within the general government to incur new debt with the private sector. [Q2-2012] No additional SOEs will be created until this law is adopted.
3.28	3.28. No additional SOEs at central government level will be created until this review is completed. Given the financial impact of these decisions, the Government will submit to Parliament a draft law so that this limitation will also be applicable to local authorities. The Government will promote the initiatives needed so that the same objective is achieved by the regions. [Q1-2012]				
3.29	3.29. The Government will submit to Parliament a draft law to regulate the creation and the functioning of SOEs at the central and local levels. The law will enhance the monitoring powers of the central administration over all SOEs. In addition, the timing and content of financial and operational reporting will be defined. The decisions adopted at central level to improve the efficiency of the enterprises while reducing their financial burden will be implemented at all SOEs, taking into account their specificities. The Government will promote the initiatives needed so that the same objective is achieved by the regions. [Q1-2012]				
3.30	3.30. The annual SOEs report prepared by the MoF in July 2011 will include a comprehensive fiscal risk report detailing and analyzing all liabilities (explicit and implicit) of SOEs.	3.20	3.20. Equivalent measures on operational results, debt, restructuring and governance will be taken at the local and regional levels. Progress on these measures will be reported in four annual SOEs reports at central, local and the two regional levels. On the basis of these reports, the government will include a fiscal risk analysis, including all (explicit and implicit) liabilities, in preparation for the annual budget. [Q2-2012]	3.21	3.21. Equivalent measures on operational results, debt, restructuring and governance will be taken at the local and regional levels, while respecting their administrative autonomy as foreseen in the law. The annual and quarterly SOEs reports will assess progress towards achieving these objectives for central and local SOEs. Each Autonomous Region will provide similar annual reports. These will serve as inputs to the fiscal risks analysis in the budget. [Q2-2012]
3.31	3.31. The Government will accelerate its privatisation programme. The existing plan, elaborated through 2013, covers transport (Aeroportos de Portugal, TAP, and freight branch of CP), energy (GALP, EDP, and REN), communications (Correios de Portugal), and insurance (Caixa Seguros), as well as a number of smaller firms. The plan targets frontloaded proceeds of about €5.5 billion through the end of the program, with only partial divestment envisaged for all large firms. The Government commits to go even further, by pursuing a rapid full divestment of public sector shares in EDP and REN, and is hopeful that market conditions will permit sale of these two companies, as well as of TAP, by the end of 2011. The Government will identify, by the time of the second review, two additional large enterprises for privatisation by end-2012. An updated privatisation plan will be prepared by March 2012.	3.21	3.21. The government is implementing its privatisation programme under the new framework law for privatisation. The privatisation plan targets front-loaded proceeds of about EUR 5 billion through the end of the program. The sale of the energy company (EDP) and the energy network company (REN) are being concluded. The sale of GALP and the small remaining stake in REN on the free market have been delayed until market conditions improve. The privatisation or concession of the cargo handling subsidiary of CP (CP Carga) will be launched in the second quarter of 2012. The privatisation process for the national air carrier (TAP) and the airport operator Aeroportos de Portugal (ANA) will be launched in the second and early in the third quarters, with a view to completing these transactions in 2012. The privatisation of Correios de Portugal (CTT) will be launched, once changes underway in regulation of this sector have their full impact, in order to complete the sale in 2013. The partial sale of a public television channel (RTP) and concessions for transport operators in Lisbon and Porto upon completion of restructuring of the public transport firms in these cities are being considered. The direct sale of CGD's insurance arm (Caixa Seguros) to a final buyer is expected to take place in 2012.	3.22	3.22. The government is implementing its privatisation programme under the new framework law for privatisation. The privatisation plan targets front-loaded proceeds of about EUR 5 billion through the end of the programme. The sale of GALP and the small remaining stake in REN on the free market have been delayed until market conditions improve. The privatisation or concession of the cargo handling subsidiary of CP (CP Carga) will be concluded by the second quarter of 2013. The tender for the privatisation of the national air carrier (TAP) and the airport operator Aeroportos de Portugal (ANA) will be launched in the third quarter, with a view to completing these transactions in early 2013. The privatisation of Correios de Portugal (CTT) will be launched, once changes underway in regulation of this sector have their full impact, in order to complete the sale in 2013. The partial sale of a public television channel (RTP) and concessions for transport operators in Lisbon and Porto upon completion of restructuring of the public transport firms in these cities are being considered. The direct sale of CGD's insurance arm (Caixa Seguros) to a final buyer is expected to take place in 2012.

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
		3.22	3.22. With a view to introducing private capital and management in the water company Águas de Portugal (AdP), a strategy will be prepared. This strategy will include considerations of the competitive and regulatory environment and organisational consequences. [Q4-2012]	3.23	3.23. With a view to introducing private capital and management in the water company Águas de Portugal (AdP), a strategy will be prepared. This strategy will include considerations of the competitive and regulatory environment and organizational consequences. [Q4-2012]
		3.23	3.23. A strategy for the government's financial holding company Parública will be prepared, given that its sources of income will be affected by privatisation. [April-2012]. The strategy will reconsider the role of Parública as a public company and the possibility of winding down the company or consolidating it with the general government. In the interim, the government will ensure that Parública will have sufficient income-generating assets to manage its debt and financing needs. The process of winding down Parública will begin in 2013.		[Texto suprimido]
3.32	3.32. Prepare an inventory of assets, including real estate, owned by municipalities and regional governments, examining the scope for privatisation. [Q2-2012]	3.24	3.24. In order to identify the scope for further privatisation, the Government will prepare an inventory of assets, including real estate, owned by municipalities and regional governments. [Q2-2012]	3.24	3.24. The government will work together with the municipalities and regional governments in order to identify the scope for further privatisation, by preparing an inventory of their assets, including real estate. [Q3-2012]
3.33	3.33. The Government will merge the tax administration, customs administration and the information technology service DGITA in a single entity [complete design of the new structure by Q4-2011 and implement it by Q4-2012] and study the costs and benefits of including the revenue collection units of the social security administration in the merge. [Q3-2011] It will proceed with the broader merge if the assessment is favourable [Q1-2012];	3.25	3.25. The Government will conclude implementation of the undergone merger of the tax administration, customs administration and the information technology service (DGITA) in a single entity, Autoridade Tributária e Aduaneira (AT) by Q4-2012 and study the costs and benefits of including the revenue collection units of the social security administration in the new entity. [Q1-2012] . It will proceed with the broader merger if the assessment is favourable. [Q4-2013]	3.25	3.25. The Government will conclude implementation of the undergone merger of the tax administration, customs administration and the information technology service (DGITA) in a single entity, Autoridade Tributária e Aduaneira (AT) by Q4-2012.
				3.26	3.26. Following the recommendations of the "Study on the potential merger of the collection units of the Tax Authority and the Social Security", the government will by [end-August]: i. prepare a draft proposal to enhance the exchange of information between the collection units of the Tax Authority and the Social Security, and ii. study ways of possible implementation of the other working group recommendations to strengthen control and simplifying compliance.
3.34	3.34. Further comprehensive reform plans will be prepared by October 2011, including the following elements: [Q4-2011] i. Establishing special chambers within the tax tribunals, specialised to handle large cases and assisted by a specialised technical staff pool; [Q1-2012] ii. Reducing the number of municipal offices by at least 20% per year in 2012 and 2013; [Q4-2012 and Q4-2013] iii. Increase in the resources devoted to auditing in the tax administration to at least 30% of the total staff, mostly through reallocations of staff within the tax administration and other parts of the public administration. The threshold should be attained by Q4-2012.	3.26	3.26. Following the creation of AT, the focus in 2012 will be to merge central and support functions and reduce the number of branches. The reform will be deepened in 2013 by targeting a business function-type structure. In particular, the following elements will be implemented: i. review the experience with the task force of tax judges for cases with value above EUR 1 million and assess the need to establish special chambers within the tax tribunals to handle such cases [mid-November 2012]; ii. reducing the number of municipal offices by at least 20 per cent per year in 2012 and 2013 [Q4-2012 and Q4-2013]; iii. increase in the resources devoted to auditing in the tax administration to at least 30 per cent of the total staff, mostly through reallocations of staff within the tax administration and other parts of the public administration. The threshold should be attained by Q4-2012; iv. analyze the impact of VAT issues on backlog enforcement cases and assess possible options to address such cases, taking into account tax fraud and erosion risks. [end-April 2012]; v. publish quarterly reports on recovery rates, duration and costs of tax cases starting from Q2-2012 within four months after the end of the relevant quarter.	3.27	3.27. Following the creation of AT, the focus in 2012 will be to merge central and support functions and reduce the number of branches. The reform will be deepened in 2013 by targeting a business function-type structure. In particular, the following elements will be implemented: i. review the experience with the task force of tax judges for cases with value above EUR 1 million and assess the need to establish special chambers within the tax tribunals to handle such cases [mid-November 2012]; ii. reducing the number of municipal offices by at least 20 per cent per year in 2012 and 2013 [Q4-2012 and Q4-2013]; iii. increase in the resources devoted to auditing in the tax administration to at least 30 per cent of the total staff, mostly through reallocations of staff within the tax administration and other parts of the public administration. The threshold should be attained by Q4-2012; iv. based on the report presented, prepare draft action plan with concrete measures and timelines to resolve VAT issues related to backlog enforcement cases and assess the possibility of introducing transitional measures targeting cases currently filed in courts taking into account tax fraud and erosion risks. [20August 2012]; v. publish quarterly reports on recovery rates, duration and costs of tax cases starting from Q4-2012 within four months after the end of the relevant quarter.
		3.27	3.27. The government will address the bottlenecks in the tax appeal system by progressing with clearing cases worth above EUR 1 million [Q4-2012] with the support of the tax court judges.	3.28	3.28. The government will address the bottlenecks in the tax appeal system by progressing with clearing cases worth above EUR 1 million [Q4-2012] with the support of the tax court judges.

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
3.35	3.35. The Government will address the bottlenecks in the tax appeal system by: i. Reviewing the assessment of audit performance based on both qualitative and quantitative indicators; [Q3-2011] ii. Applying interest charges on the outstanding debt over the whole appeal period using an interest rate above market levels. Impose a special statutory interest on non-compliance with a tax court decision; [Q3-2011] iii. Implement the new tax arbitration law by Q3-2011; iv. Establishing an integrated IT system between the revenue administration and the tax courts; [Q4-2011] v. Setting up a temporary task force of judges by Q2-2011 to clear cases worth above EUR 1 million by Q4-2012.		[Texto suprimido]		
3.36	3.36. The Government will submit to Parliament a law to strengthen the auditing and enforcement powers of the central tax administration to exercise control over the whole territory of the Republic of Portugal including currently exempt tax regimes and to reserve to the central administration the power to issue interpretative rulings on taxes with national scope in order to ensure its uniform application. [Q4-2011]	3.28	3.28. The government will draft a proposal by [Q2-2012] to strengthen the auditing and enforcement powers of the central tax administration to exercise control over the whole territory of the Republic of Portugal including currently exempt tax regimes and to reserve to the central administration the power to issue interpretative rulings on taxes with national scope in order to ensure its uniform application. Based on this proposal, a draft law will be submitted to Parliament by [Q4-2012].	3.29	3.29. The government will draft a proposal by [Q2-2012] to strengthen the auditing and enforcement powers of the central tax administration to exercise control over the whole territory of the Republic of Portugal including currently exempt tax regimes. Based on this proposal, a draft law will be submitted to Parliament by [Q4-2012].
3.37	3.37. Prepare a report assessing the current state of the information systems in the tax administration and proposing reforms. [Q3-2011]		[Texto suprimido]		
3.38	3.38. The tax administration will prepare a comprehensive strategic plan for 2012-2014. The plan will include concrete actions to combat tax fraud and evasion, to strengthen audit and enforce collection based on risk management techniques. [end-October 2011]	3.29	3.29. The tax administration has concluded the strategic plan to combat fraud and evasion for 2012-2014 and has taken important steps for its implementation. In particular, e-invoicing mechanisms will be adopted in order to facilitate compliance and improve control. The authorities will finalise the assessment of the net financial impact of the proposed incentive scheme that grants up to 5 per cent rebate, subject to a limit per taxpayer, on VAT paid through electronically transmitted invoices in selected sectors [Q1-2012] and consult with the EC and IMF before implementing the scheme.	3.30	3.30. The tax administration has concluded the strategic plan to combat fraud and evasion for 2012-14 and has taken important steps for its implementation. Moreover, the plan to implement e-invoicing in Portugal will be further developed [Q4-2012]. Measures to strengthen final consumers' incentives to ask for invoices, notably in hard-to-tax sectors, will be implemented, and EC, ECB and the IMF will be consulted on any developments regarding the scheme design. An evaluation report of the scheme will be prepared [Q1-2013].
3.39	3.39. Reduce management positions and administrative units by at least 15% in the central administration. [Q4-2011]	3.31	3.31. Reduce management positions and administrative units in the central administration according to the PREMAC report of 15 September 2011 by 27 per cent and 40 per cent, respectively. Following the approval and publication of most organic laws of the ministries, the legislation of the remaining entities will be finalised. [April 2012].		[Texto suprimido]
		3.30	3.30. The tax administration will develop a modern tax compliance management framework as an important tool to curb non-compliance. As part of this effort, the focus on large taxpayers will be enhanced through the implementation, by [Q4-2012], of a full-fledged Large Taxpayer Office (LTO).	3.31	3.31. The tax administration will develop a modern tax compliance management framework as an important tool to curb non-compliance. A fully-fledged Large Taxpayer Office (LTO) will be operational by [Q4-2012].
3.40	3.40. In view of improving the efficiency of the central administration and rationalising the use of resources, implement a second phase of the public administration restructuring programme (PRACE 2007). [Q4-2011]	3.32	3.32. In view of improving the efficiency of the central administration and rationalising the use of resources, implement a second phase of the public administration restructuring programme (PREMAC) that implies the definition of the internal organisation and the roster of each entity. [Q2-2012]	3.32	3.32. Conclude the public administration restructuring programme (PREMAC) by the completion of procedures for the preparation, approval and publication of all legal acts by end-June. The final report, comprising the internal organisation and the roster of each entity, including the reallocation of human resources, will be presented in [Q3-2012].
3.41	3.41. In view of improving the efficiency of local administration and rationalising the use of resources, the Government will submit to Parliament a draft law by Q4-2011 so that each municipality will have to present its plan to attain the target of reducing their management positions and administrative units by at least 15% by the end of 2012. [Q2-2012] In what concerns regions, the Government will promote the initiatives needed [Q4-2011] so that each region will present its plan to attain the same target.	3.33	3.33. As stipulated in the 2012 State budget, each municipality will have to present its plan to attain the target of reducing their management positions and administrative units by at least 15 per cent by the end of 2012. [Q2-2012] In what concerns regions, the government will promote the initiatives needed so that each region will present its plan to attain the same target. [Q1-2012]	3.33	3.33. As stipulated in the 2012 State budget, each municipality will have to present its plan to attain the target of reducing their management positions and administrative units by an average of at least 15 per cent by the end of 2012. [Q2-2012]

Versão Inicial do MoU 17 de maio de 2011		3.ª Revisão do MoU 15 de março de 2012		4.ª Revisão do MoU 27 de junho de 2012	
§		§		§	
3.42	3.42. In conjunction with the review of SOEs (see above) , prepare a detailed cost/benefit analysis of all public and quasi-public entities, including foundations, associations and other bodies, across all levels of government. [Q4-2011] Based on the results of this analysis, the administration (central, regional or local) responsible for the public entity will decide to close or to maintain it in respect of the law (see below). [Q2-2012]	3.34	3.34. Prepare a detailed cost/benefit analysis of all public and quasi-public entities: i. Based on the analysis on foundations, using the results of the compulsory census [Q2-2012] and recommendations, the central, regional or local administration responsible for each foundation or its financial support will decide accordingly whether to maintain, reduce or extinguish them in respect of the applicable law (see below). [Q3-2012] ii. the approach on foundations – the compulsory census and the subsequent analysis, adjusted as needed - will also be applied to associations and extended later to other public and quasi-public entities across all levels of government. [Q4-2012]	3.34	3.34. Prepare a detailed cost/benefit analysis of all public and quasi-public entities: i. Based on the analysis on foundations, using the results of the compulsory census [Q2-2012] and recommendations, the central, regional or local administration responsible for each foundation or its financial support will decide accordingly whether to maintain, reduce or extinguish them in respect of the applicable law (see below). [Q3-2012]; ii. the approach on foundations – the compulsory census and the subsequent analysis, adjusted as needed - will also be applied to associations and extended later to other public and quasi-public entities across all levels of government.[Q4-2012]
3.43	3.43. Regulate by law the creation and the functioning of foundations, associations, and similar bodies by the central and local administration. This law, which will also facilitate the closure of existing entities when warranted, will be prepared in coordination with a similar framework to be defined for SOEs. The law will define the monitoring and reporting mechanisms and evaluation performance. In addition, the Government will promote the initiatives needed [Q4-2011] so that the same objective is achieved by the regions.	3.35	3.35. Regulate by law the creation and the functioning of foundations, associations, and similar bodies by the central, regional and local administration, facilitating the closure of existing entities when warranted, Such a law will be prepared in coordination with a similar framework to be defined for SOEs and define the monitoring and reporting mechanisms to be put in place to evaluate performance. [Q2-2012] Furthermore, the classification as general government revenues, on a case-by-case basis, of all own revenues of these funds that arise directly or indirectly from the use of the sovereign powers of the government (e.g. court fees, fines, fees for licenses or permits, and audit fees charged by the Court of Auditors) will be regulated by law. In addition, the government will promote the initiatives needed so that the same objective is achieved by the regions. [Q2-2012]	3.35	3.35. Regulate by law the creation and the functioning of foundations, associations, and similar bodies by the central and local administrations, facilitating the closure of existing entities when warranted. In addition, the government will promote that the same objective is achieved by the regions. [Q2-2012]
3.44	3.44. Reorganise local government administration. There are currently 308 municipalities and 4,259 parishes. By July 2012, the government will develop a consolidation plan to reorganise and significantly reduce the number of such entities. The Government will implement these plans based on agreement with EC and IMF staff. These changes, which will come into effect by the beginning of the next local election cycle, will enhance service delivery, improve efficiency, and reduce costs.	3.36	3.36. Reorganise local government administration. There are currently 308 municipalities and 4,259 parishes. By July 2012 , the government will develop a consolidation plan to reorganize and significantly reduce the number of such entities. The government will implement these plans based on agreement with EC and IMF staff. These changes, which will come into effect by the beginning of the next local election cycle, will enhance service delivery, improve efficiency, and reduce costs.	3.36	3.36. Reorganise local government administration. There are currently 308 municipalities and 4,259 parishes. The government will reorganise and significantly reduce the number of such entities. These changes, which will come into effect by the beginning of the next local election cycle, will enhance service delivery, improve efficiency, and reduce costs. [Q3-2012]
3.45	3.45. Carry out a study to identify potential duplication of activities and other inefficiencies between the central administration, local administration and locally-based central administration services. [Q4-2011] Based on this analysis, reform the existing framework to eliminate the identified inefficiencies. [Q2-2012]	3.37	3.37. Carry out a study to identify potential duplication of activities and other inefficiencies between the central administration, local administration and locally-based central administration services. [Q3-2012] Based on this analysis, reform the existing framework to eliminate the identified inefficiencies. [Q4-2012]	3.37	3.37. Carry out a study to identify potential duplication of activities and other inefficiencies between the central administration, local administration and locally-based central administration services. [Q3-2012] Based on this analysis, reform the existing framework to eliminate the identified inefficiencies. [Q4-2012]
3.46	3.46. Develop the use of shared services in the central administration by fully implementing the ongoing projects and by regularly assessing the scope for further integration: i. Fully implement the strategy of shared services in the area of financial (GeRFIP) and human resources (GeRHup). [Q2-2012] ii. Rationalise the use of IT resources within the central administration by implementing shared services and reducing the number of IT entities in individual Ministries or other public entities. [Q4-2012]	3.38	3.38. Develop the use of shared services in the central administration by fully implementing the ongoing projects and by regularly assessing the scope for further integration: i. complete the implementation of the strategy of shared services in the area of financial resources (GeRFIP). [Q4-2012]; ii. fully implement the strategy of shared services in the area of human resources (GeRHup) in the Ministry of Finance's entities [Q4-2012], with the exception of the Tax Authority for which this is scheduled for end-January 2013. Other Ministries will follow in 2013; iii. rationalise the use of IT resources within the central administration by implementing shared services and reducing the number of IT entities in individual Ministries or other public entities in line with the "Overall Strategic plan to rationalise and reduce costs on ICT in Public Administration" . [Q4-2012]	3.38	3.38. Develop the use of shared services in the central administration by fully implementing the ongoing projects and by regularly assessing the scope for further integration: i. complete the implementation of the strategy of shared services in the area of financial resources (GeRFIP). [Q1-2013] GeRFIP will also be implemented in the Autonomous Region of Madeira and in the Autonomous Region of Azores [Q4-2013]; ii. fully implement the strategy of shared services in the area of human resources (GeRHup) in the Ministry of Finance's entities [Q4-2012], with the exception of the Tax Authority for which this is scheduled for end-January 2013. Other Ministries will follow in 2013. The Autonomous Region of Madeira will implement GeRHup gradually; iii. rationalise the use of IT resources within the central administration by implementing shared services and reducing the number of IT entities in individual Ministries or other public entities in line with the "Overall Strategic plan to rationalise and reduce costs on ICT in Public Administration". [Q4-2012]

Versão Inicial do MoU 17 de maio de 2011		3.º Revisão do MoU 15 de março de 2012		4.º Revisão do MoU 27 de junho de 2012	
§		§		§	
3.47	3.47. Reduce the number of local branches of line ministries (e.g. tax, social security, justice). The services should be merged in citizens' shops covering a greater geographical area and developing further the e-administration over the duration of the programme. [Q4-2013]	3.39	3.39. Reduce the number of local branches of line ministries (e.g. tax, social security, justice). The services should be merged in citizens' shops covering a greater geographical area and developing further the e-administration over the duration of the programme. [Q4-2013]	3.39	3.39. Reduce the number of local branches of line ministries (e.g. tax, social security, justice). The services should be merged in citizens' shops covering a greater geographical area and developing further the e-administration over the duration of the programme. [Q4-2013]
3.48	3.48. Prepare a comprehensive plan to promote flexibility, adaptability and mobility of human resources across the administration, including by providing training where appropriate. [Q4-2011]	3.40	3.40. The 2012 budget promotes flexibility, adaptability and mobility of human resources across the administration, including by providing training and requalification where appropriate. In addition, the mobility schemes, namely geographic mobility, will be reinforced as an instrument to manage human resources across administrations. [Q2-2012]	3.40	3.40. The 2012 budget promotes flexibility, adaptability and mobility of human resources across the administration, including by providing training and requalification where appropriate. In addition, the mobility schemes, namely geographic mobility and the regulation on mutual agreement on contract termination , will be reinforced as an instrument to manage human resources across administrations. [Q2-2012]
3.49	3.49. Limit staff admissions in public administration to achieve annual decreases in 2012-2014 of 1% per year in the staff of central administration and 2% in local and regional administrations. The Government will submit to Parliament a draft law to implement this measure at local administration level and will promote the initiatives needed so that each region will present its plan to achieve the same target. [Q3-2011]	3.41	3.41. Limit staff admissions in public administration to achieve annual decreases in 2012-2014 of 2 per cent per year (in full-time equivalents) in the staff of central administration and 2 per cent in local and regional administrations (in full-time equivalents) . The government will ensure the implementation of this measure at local administration level and will promote the initiatives needed so that each region will present its plan to achieve the same target. [Ongoing]	3.41	3.41. Limit staff admissions in public administration to achieve annual decreases in 2012-2014 of 2 per cent per year (in full-time equivalents) in the staff of central administration and 2 per cent in local and regional administrations (in full-time equivalents). The government will ensure the implementation of this measure at local administration level and will promote the initiatives needed so that each region will present its plan to achieve the same target. [Ongoing]
		3.42	3.42. The government will prepare a comprehensive review of wage scales in the public sector, including entities classified outside the general government, to identify unwarranted differences in remuneration between the public and the private sector for similar types of qualifications [Q4- 2012].	3.42	3.42. The government will prepare a comprehensive review of wage scales in the general government , to identify unwarranted differences in remuneration between the public and the private sector for similar types of qualifications. [Q4-2012] The comprehensive study of entities classified outside the general government will follow in Q2-2013.