

# Recent developments

Portugal 2015

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## Controversial topics of current interest

- Polemical millionaire investments in seashore areas to protect the beaches (some are disappearing, while others are growing too much).
- Demolitions of illegal houses built decades ago in coastal areas and in islands in the south of Portugal have been raising social protests.
- Measures to reduce urban pollution in Lisbon city center: cars older than 2000 are not allowed to circulate in central areas.
- Correction of the taxes to be paid for access to national parks and other protected areas. A new 80% reduction for educational activities was approved<sup>1</sup>.
- Green taxation reform<sup>2</sup>:
  - incentives to vehicle abatement upon acquisition of an electric vehicle,
  - adjustments made in waste management taxes, in water management taxes and in the carbon tax,
  - VAT abatements for electric and hybrid vehicles,
  - vehicle tax dependent on CO2 emissions,
  - fiscal promotion of public transportation,
  - incentives to bike-sharing and car-sharing,
  - fiscal benefits for property intended for the production of renewable energy, producing ecosystem services, forestry management, etc.
  - the most effective measure triggering the highest behavioral change was a €0,10 tax on light plastic bags which changed individual behavior of consumers overnight.
- After the completion of the austerity program imposed by the Troika a strategic document called “green growth commitment” for 2030 was adopted<sup>3</sup>.
- An extraordinary regime of «regularization» of industrial establishments, livestock farming, waste management installations and mineral extraction sites<sup>4</sup> was approved. It is applicable to installations not complying with the legal environmental requirements. It is estimated that 3000 industrial activities will benefit from this “soft” regime.
- Preventive detention of the ex-minister of the environment between 1999 and 2002 (and prime minister between 2005 and 2011), charged for corruption, fraud and money laundering in cases related to the environment. Suspicious activities against the environment developed during his term of office, are now under police investigation. One of the cases is the “Freeport case” reported in ‘recent developments’ for the Avosetta Stockholm meeting<sup>5</sup> but there are several other cases of alleged corruption in the award of concession contracts for waste management activities.

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<sup>1</sup>Dispatch 110/2015 amending dispatch 122/2014.

<sup>2</sup>Law 82-D/2014, of 31 December rectified in 2015.

<sup>3</sup>Resolution of the Council of Ministers no. 28/2015, 30 April.

<sup>4</sup>Dispatch 68/2015 implementing Decree Law 165/2014.

<sup>5</sup>I reported in 2009: «The Freeport case is still under police investigation in Portugal and in the UK. This is a paradigmatic case of large scale environmental corruption for the construction of a Shopping Centre in a Special Protected Area for the Birds. The newspapers disclose names and amounts of money involved and the list of accused increases every day. The involvement of members of the government, and likely also the Minister of the Environment at the time, seems to unveil a large network of private interests and corruption.

The Freeport case refers to a change in the boundaries of a special protection area for the birds in the Tejo estuary, near Lisbon, and the simultaneous declaration of no environmental impacts of a large project, 3 days before the 2002 legislative elections. These favourable steps (both said to be motivated by corruption and illegal payments to Portuguese civil servants and members of Cabinet) allowed a British developer (Freeport, now owned by Carlyle) to build the largest outlet shopping centre in Europe (75 000 m<sup>2</sup>). For further information see: <http://www.dailymail.co.uk/news/article-1133106/Edward-Sophie-Portugals-PM--4m-corruption-row-giant-mall-built-British-firm.html> Or Freeport outlet controversy at [http://en.wikipedia.org/wiki/Jos%C3%A9\\_S%C3%B3crates](http://en.wikipedia.org/wiki/Jos%C3%A9_S%C3%B3crates)».