



POSITION AND EVOLUTION OF CONTINGENT LIABILITIES OF GENERAL GOVERNMENT

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The Portuguese Public Finance Council is an independent body created by Article 3 of Law No. 22/2011 of 20 May, which made the 5th amendment to the Fiscal Framework Law (Law No. 91/2001 of 20 August, republished by Law No. 37/2013 of 14 June). The final version of the CFP Statutes was approved by Law No. 54/2011 of 19 October.

The CFP began its activity in February 2012, with the mission of conducting an independent assessment of the consistency, compliance and sustainability of fiscal policy, promoting its transparency, in order to contribute to the quality of democracy and economic policy decisions and to strengthen the financial credibility of the State.

This Report was prepared based on information available as of 24 November 2025.

A spreadsheet containing the figures underlying all the graphs and tables in this report is available at www.cfp.pt, in the publications section. The main public finance concepts used in this report are explained in the CFP [Glossary](#), which is available online.

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NON-TECHNICAL SUMMARY

Contingent liabilities are potential future liabilities of the General Government (GG) that may generate public expenditure if certain risks materialise.

General Evolution

- In 2024, total contingent liabilities represented 6.7% of GDP, almost half the figure recorded in 2020 during the pandemic, when they peaked at 12.6% of GDP.
- Since 2020, and according to available data, total contingent liabilities have been declining steadily.
- The normalisation of economic activity and the closure of COVID-19 credit lines have contributed significantly to the reduction in contingent liabilities.

Guarantees granted by the PA

- In 2024, they totalled 3.1% of GDP, with a significant reduction in liabilities with COVID-19 guarantees compared to 2023.
- The FCGM's liabilities correspond to an outstanding portfolio of over €3.5 billion.
- More than two-thirds of the total guarantees granted by the State were for the Autonomous Region of Madeira and public infrastructure companies.

Public-Private Partnerships (PPPs)

- PPP liabilities accounted for 1.2% of GDP in 2024, showing a downward trend. The road sector remains dominant.
- Forecasts (considering only current partnerships) indicate a gradual decline in contingent liabilities associated with PPPs after 2026, with a positive net impact on public accounts from 2053 onwards.

Liabilities of entities controlled by the PA outside the fiscal perimeter

- The liabilities of non-financial designated Non-Reclassified Public Entities (EPNR) represented 2.2% of GDP in 2024.
- The indebtedness of these NREPs has been falling steadily since 2014, with a more marked reduction in bank and external financing.

Comparison within the European Union

- Portugal is one of the EU countries with the lowest exposure to contingent liabilities, excluding financial entities owned by the Central Government.
- However, Portugal continues to have the highest relative weight of PPPs.

Significant risks

- Litigation and requests for financial balance restoration PPP: €1,754 million (Oct./25).
- The extension of COVID-19 responsibilities until 2027/28.
- New guarantees under the rapidly expanding InvestEU programme, together with other lines implemented by Banco Português de Fomento.

EXECUTIVE SUMMARY

This report presents the first systematic analysis by the Portuguese Public Finance Council (CFP) devoted exclusively to the contingent liabilities of the general government. The purpose of this document is to provide a quantified and comprehensive overview of contingent liabilities, based on the classification and harmonised reporting defined by Eurostat. The analysis focuses on the evolution of these liabilities, their composition, and the potential risks they pose to public finances. Liabilities associated with the banking system and pensions are not included in this report, as they do not fall within the concept of contingent liabilities adopted.

Position and recent developments in contingent liabilities

Since the pandemic crisis, the contingent liabilities of the general government have shown a gradual decline. In 2020, liabilities associated with contingent liabilities reached a maximum equivalent to 12.6% of GDP, in the context of exceptional measures in response to the pandemic, with a decrease to 6.7% of GDP in 2024. This reduction essentially reflects: i) the gradual closure of publicly guaranteed credit lines associated with COVID-19; ii) the reduction in the indebtedness of non-reclassified public entities (EPNR); and iii) the decline in net charges and liabilities associated with Public-Private Partnerships (PPP). Despite the continued reduction in these liabilities, material risks remain associated with public guarantees, PPPs and the liabilities of entities outside the fiscal perimeter. In addition, there are the new InvestEU guarantees, which are expanding rapidly, together with other lines implemented by Banco Português de Fomento. These liabilities require continuous monitoring in order to avoid unexpected fiscal impacts and ensure a sustainable path for public finances.

Liabilities associated with guarantees

Guarantees granted by the State and other public entities constitute the largest share of contingent liabilities. These liabilities totalled 3.1% of GDP in 2024, well below the 6.4% recorded in 2020. This decrease is mainly due to the reduction in standardised guarantees associated with COVID-19 lines issued during the pandemic, whose portfolio has decreased significantly.

Despite the lower amount of liabilities, there remains a significant amount of risk associated with these guarantees. At the end of 2024, the Mutual Counter-Guarantee Fund (FCGM) held €1.887 billion in outstanding liabilities related to COVID-19 lines and €1.651 billion related to other lines. In addition to these, the State also has significant liabilities in relation to the financing of the Autonomous Region of Madeira (€2.9 billion), the National Mutual Guarantee System (guaranteeing its solvency by providing guarantees to the FCGM of €1.2 billion) and economic policy instruments, such as official export support. It should be noted that guarantees are presented on an unconsolidated basis. However, guarantees granted to other PA entities do not constitute an increased risk, given that their eventual materialisation will have a neutral effect, in consolidated terms, on the balance and/or debt (in the case of the FCGM, the risk lies with this entity, since it grants guarantees to private entities).

Liabilities associated with PPPs

In 2024, contingent liabilities associated with PPPs continued to decline. These liabilities, concentrated predominantly in the road sector, represented 1.2% of GDP in

2024. This ratio in 2023 (1.4% of GDP) placed Portugal as the European Union (EU) country with the highest weight of PPPs as a percentage of GDP, 1.2 p.p. above the EU average (0.2% of GDP).

In the most recent projection by the Ministry of Finance (MF), net overall costs are expected to increase temporarily in 2026, with a return to positive figures only expected in the early 2050s. Contributing to this increase are new railway PPPs, such as the Porto–Oiã section of the future high-speed line (LAV), as well as the base effect of extraordinary PPP revenues from the road sector received in 2025, which will not be repeated in the following year. A downward trend is anticipated for the following years. From 2053 onwards, net charges are expected to become positive, mainly reflecting the net revenue generated by the airport concession awarded to ANA. Despite this favourable long-term outlook, there remain significant risks associated with litigation and requests for financial rebalancing in PPPs, totalling €1.754 billion, mainly concentrated in the road sector.

Liabilities of entities controlled by public authorities outside the fiscal perimeter

The indebtedness of non-reclassified non-financial public entities (EPNR) fell significantly, accompanied by changes in their financing. In 2024, the indebtedness of these entities represented 2.2% of GDP, considerably below the maximum of 9.8% observed in 2009. The composition of these entities' debt has changed substantially over the last decade, with less recourse to bank and external financing, reflecting greater financial discipline and a gradual process of restructuring public companies.

Comparison within the European Union (EU)

In 2023, Portugal had the fourth lowest level of contingent liabilities in the EU. As a ratio of GDP, these liabilities amounted to 7.6%, significantly below the EU average (19.7%). Despite this favourable position, Portugal stands out for having the highest relative weight of PPPs among EU Member States, with a downward trend.

Other contingent liabilities

Other contingent liabilities with potential fiscal impact remain. These include those associated with the Autonomous Region of the Azores, in the form of comfort letters and protocols, which amounted to €99.5 million in 2024, mainly related to the SATA Group and private entities. Despite contractual heterogeneity, these instruments represent real risks if they are triggered. In addition, the recent revision of Directive 2011/85/EU reinforces the need for scrutiny of climate risks and natural disasters. Although there is still no systematic data in the national report, these risks constitute a growing vector of potential exposure for public finances, requiring continuous monitoring and future integration into the reporting of contingent liabilities.

1. INTRODUCTION

This report is the first publication by the CFP specifically dedicated to the contingent liabilities of the General Government (GG). This analysis follows on from the note on contingent liabilities¹, published in early December, whose main purpose was to explain the main concepts and the relevant framework. This report presents a detailed and quantified analysis of contingent liabilities based on available data. This publication is expected to be issued twice a year, with a view to contributing to greater transparency and understanding of the public finance situation in Portugal.

The scope of this report covers the contingent liabilities of the public administration, following the classification adopted in the report to Eurostat and published by that body. The reporting requirements arise from the provisions of [Council Directive 2011/85](#). This directive, adopted as part of the "six-pack" (legislative package on economic governance reform), was developed in response to the 2009 European debt crisis, with the aim of ensuring transparency by requiring Member States to disclose relevant information on contingent liabilities with a potentially high impact on public budgets. More recently, this directive was amended by [Council Directive 2024/1265](#), reinforcing the importance of transparency, particularly with regard to contingent liabilities related to climate risks and natural disasters. It should also be noted that obligations with contingent liabilities are also dealt with under the Accounting Standardisation System for Public Administrations (SNC-AP), which requires disclosure in accordance with the applicable accounting standards (**Erro! A origem da referência não foi encontrada.**, attached).

In order to maintain consistency with the classification adopted, this report excludes certain liabilities, namely:

- **Banking System Solvency Guarantee:** Although it constitutes an implicit contingent liability, this guarantee is not considered in the analysis. This exclusion is justified for two reasons: (i) it is subject to a specific framework arising from European rules on bank resolution and state aid; (ii) returns (inflows) associated with support previously granted to the financial sector are expected in the coming years. These characteristics justify the need for a separate analysis from other contingent liabilities.
- **Litigation:** in this regard, the report only addresses those specifically related to Public-Private Partnerships (PPPs). Liabilities arising from ongoing legal proceedings must be disclosed by entities under the SNC-AP, provided they meet certain requirements. However, when they are recognised as provisions in the liabilities of the entities' balance sheets, they are no longer considered contingent. However, there is no aggregate information on the magnitude of these litigations (except for those already mentioned in relation to PPPs).
- **Pensions:** Pensions represent a present and almost certain (or highly probable) obligation, rather than an uncertain future event (the obligation to pay pensions is a statistical and legal certainty, based on acquired rights and the

¹ For the purposes of this report, it should be noted that the terms contingent liabilities and contingent liabilities are used synonymously.

longevity of the population; payment depends only on the passage of time and the survival of the beneficiary, and not on an uncertain future event). For this reason, they do not fall within the concept of contingent liabilities adopted, but rather correspond to an implicit liability of the pension payment systems (Social Security and Caixa Geral de Aposentações).

The report is structured in six chapters, with the aim of presenting a comprehensive analysis of the contingent liabilities of the PA and their potential impact on public finances. The second chapter focuses on the position and recent evolution of these liabilities, taking into account the Eurostat classification and comparing data from Portugal with that of the EU. The following chapters analyse in more detail the various types of contingent liabilities considered.

Chapter 3 deals with guarantees, detailing the liabilities associated with guarantees granted by both the State and other central government, social security and regional government entities.² Special emphasis is given to the Mutual Counter-Guarantee Fund (FCGM), given its relevance, particularly with regard to standardised guarantees (such as those related to COVID-19) and others, within the scope of the National Mutual Guarantee System (SNGM). The Banco Português de Fomento (BPF), as the managing entity of the FCGM and playing an increasingly important role in the capitalisation of companies and the issuance of guarantees, is also discussed in this section.

Chapter 4, dedicated to Public-Private Partnerships (PPPs), analyses the evolution and projection of net charges and explicit liabilities arising from partnership contracts. Chapter 5, in turn, assesses the contingent liabilities associated with the Public Business Sector that are outside the fiscal perimeter. Finally, Chapter 6 addresses other contingent liabilities that do not fall into the previous categories, often related to atypical contractual forms.

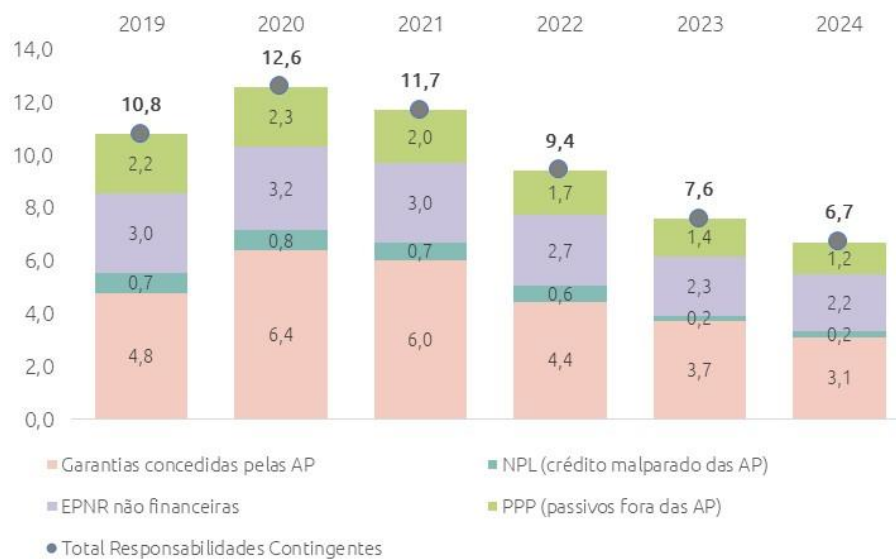
² In the case of local government, it should be noted that the entities that make up this subsector are, as a general rule, legally prevented from providing guarantees (under the terms of Article 49(7) of [Law No. 73/2013 of 3 September, in its current wording](#), which approves the financial regime for local authorities and intermunicipal entities, commonly known as the Local Finance Law - LFL).

2. POSITION AND RECENT EVOLUTION OF CONTINGENT LIABILITIES

2.1 Universe of contingent liabilities under analysis

The analysis of contingent liabilities of general government (GG) provides a comprehensive overview of the set of instruments and situations that may generate future costs for public finances. This universe includes such diverse elements as public guarantees, liabilities of entities controlled by GG but classified outside the GG sector, PPPs and non-performing loans, each with its own specific nature and risks. In this context, it is important to present an overview of recent developments in this universe. Chart 1 illustrates the dynamics of contingent liabilities as a percentage of GDP between 2019 and 2024, providing a summary of their trajectory over this period.

Chart 1 – Contingent Liabilities (as a percentage of GDP)



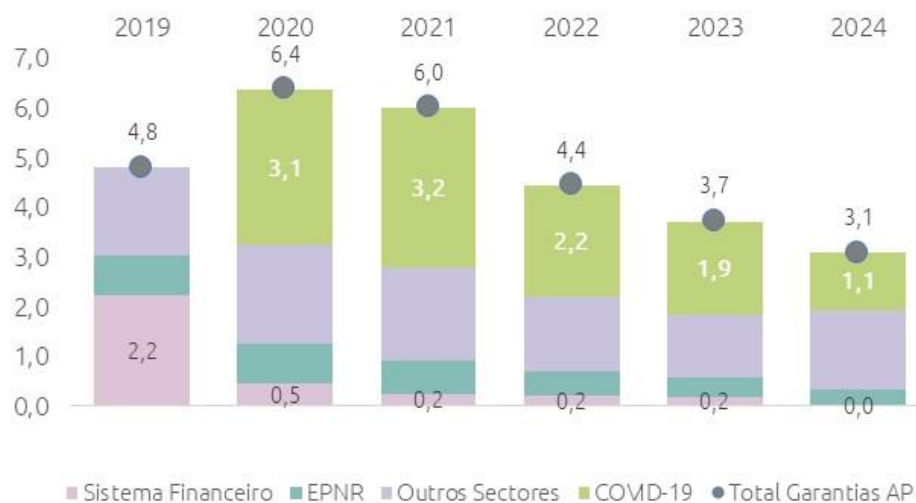
Source: Eurostat (2019–2023; last updated on 13 May 2025). For 2024, Banco de Portugal (indebtedness of non-financial public companies) and INE for the remaining elements. | Notes: NPL = Non-performing loans; PPP = Public-private partnerships; EPNR = Public entities not reclassified to the general government sector. | Liabilities of EPNRs whose main activity is financial are excluded.

Total contingent liabilities of the general government reached their peak in 2020, reflecting the impact of the measures adopted in the context of the Covid-19 pandemic. In that year, these liabilities represented 12.6% of GDP. From 2020 onwards, a downward trend was observed, following the end of the exceptional programmes and the gradual recovery of economic activity, reaching 6.7% of GDP in 2024 (Erro! A origem da referência não foi encontrada.).

Guarantees granted by public authorities constitute the main component of contingent liabilities. In 2024, these guarantees represented 3.1% of GDP (Erro! A origem da referência não foi encontrada.), continuing the downward trend that began in 2020,

when they reached 6.4% of GDP. This decrease results from the gradual closure of the support mechanisms created in response to the effects of the pandemic, namely the standardised guarantees associated with credit lines to support companies, which explains the decrease in the Covid-19 component from 3.1% of GDP in 2020 to 1.1% in 2024. The remaining components of the guarantees, namely those associated with the financial system, the liabilities of EPNRs and other sectors, also recorded decreases over the period, albeit less pronounced, also contributing to the gradual decline in the weight of public guarantees during this period. In the event of these guarantees being activated, the potential liability would become effective, implying a need for financing by the PA, which would be reflected in the public accounts.

Chart 2 – Liabilities associated with guarantees granted (as a % of GDP)



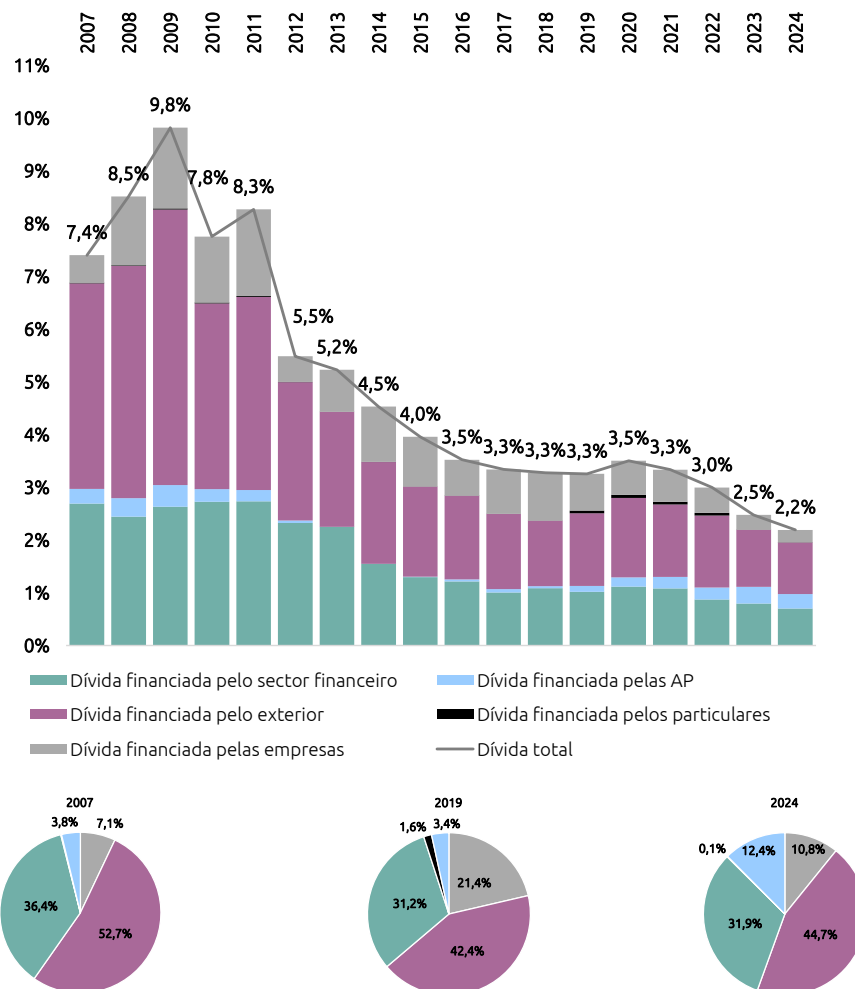
Source: Eurostat for the period 2019-2023, INE for 2024. | Note: EPNR = Non-reclassified Public Entities, i.e. entities outside the scope of the AP.

The weight of contingent liabilities associated with public-private partnerships (PPPs) has been steadily declining over the period under review, as has bad debt. Although it remains a significant component, the relevance of PPPs in total contingent liabilities has gradually declined, from 2.2% of GDP in 2019 to 1.2% in 2024 (**Erro! A origem da referência não foi encontrada.**). This development reflects the gradual decrease in financial commitments associated with existing contracts, particularly in the road sector, which remains responsible for most of the costs. In turn, loans granted by the PA in *non-performing loans* (NPL) constituted the least significant component of contingent liabilities, representing only 0.2% of GDP in 2024, 0.5 p.p. less than in 2019 (**Erro! A origem da referência não foi encontrada.**).

The liabilities of non-reclassified non-financial public entities (EPNR) also recorded a decrease in their liabilities. These entities are controlled by the PA, but are classified in another sector. This type of contingent liabilities fell from 3.2% of GDP in 2020, when it peaked, to 2.2% in 2024, which is lower than in the pre-pandemic period (**Erro! A origem da referência não foi encontrada.**). **Erro! A origem da referência não foi encontrada.** demonstrates the evolution of the origin of EPNR debt since 2007, showing a significant transformation, marked by a progressive reduction in the total volume of debt and a change in the composition of financing sources. At the beginning of the

period, debt was mainly financed by the financial sector and abroad. With the financial crisis and, subsequently, with economic and financial adjustment, there was a sharp reduction in the use of external financing, while the weight of financing by the financial sector gradually decreased. From 2014 onwards, the financing profile stabilised, with total debt falling continuously and sustainably from around 10% of GDP in 2009 to 2.2% in 2024. The contribution of general government, companies and individuals as financiers remained relatively limited throughout the period, reinforcing the conclusion that the adjustment in the general government net lending was mainly the result of the contraction in sources of financing from the financial sector and abroad.

Chart 3 – Indebtedness of non-financial public companies (as a % of GDP)³



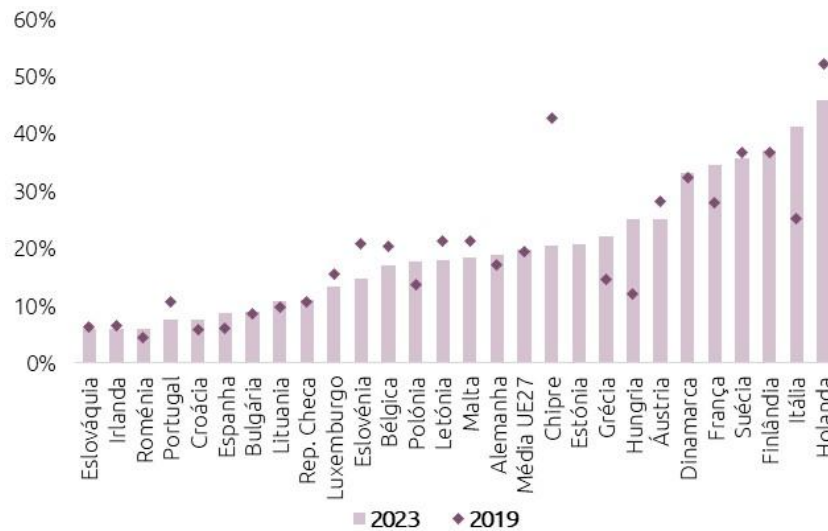
Source: Banco de Portugal (indebtedness of non-financial public corporations) and INE (GDP). | Note: The pie charts below reflect the financing structure of NPIs (as a % of total) for the years 2007, 2019 and 2024.

³ The universe of companies considered is continuously updated by Banco de Portugal and may be revised as new information becomes available.

2.2 Comparison within the European Union (EU)

The international comparison is based on the evolution of contingent liabilities as a proportion of GDP in EU countries, comparing the most recent data for 2023 provided by Eurostat with the figures observed in 2019. This analysis allows us to assess not only the most recent level of these liabilities in each Member State, but also their trajectory over these years.

Chart 4– Contingent liabilities in the EU (as a % of GDP)



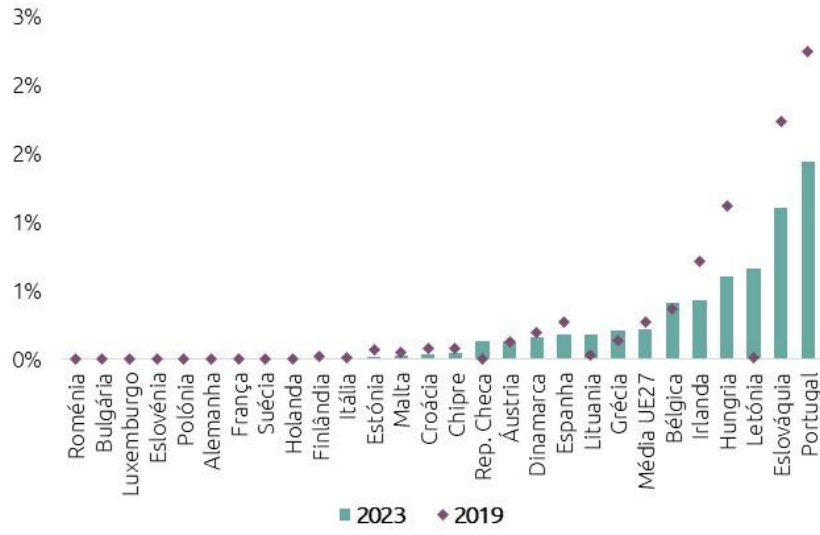
Source: Eurostat. Last update: 31 January 2025. | Notes: Excluding liabilities of NPEs involved in financial activities. | For 2019, no comparable data are available for Estonia (i.e. non-consolidated data for the general government as a whole). | The EU27 average shown in the chart for that year therefore corresponds to the average of the ratios as a percentage of GDP for 26 Member States only.

According to Eurostat, in 2023 contingent liabilities in Portugal represented 7.6% of GDP, 3.2 p.p. less than in the pre-pandemic year (Erro! A origem da referência não foi encontrada.). The decrease in liabilities of entities controlled by the PA classified outside the fiscal perimeter (-3.1 p.p.) and, to a lesser extent, by guarantees granted by the PA (-1.9 p.p.) were the main factors for this decrease. In 2023, Portugal ranked fourth among the 26 EU Member States with the lowest exposure to these liabilities, behind only Slovakia, Ireland and Romania. In that year, the EU average stood at 19.7%, with the Netherlands (45.8%), Italy (41.1%), Finland (37.1%), Sweden (35.7%) and France (34.5%) being the countries with the highest exposure to these liabilities. A common factor in these countries is the significant weight of liabilities associated with liabilities of entities controlled by the PA classified in another sector.

In this context, Portugal stands out as the EU country with the highest share of PPPs as a percentage of GDP. In 2023, these responsibilities represented 1.4% of GDP (Erro! A origem da referência não foi encontrada.), concentrated predominantly in the road sector. Despite a reduction of 0.8 p.p. of GDP between 2019 and 2023, Portugal still remained 1.2 p.p. above the European Union average (0.2% of GDP). In addition to Portugal, Slovakia (1.1%), Latvia (0.7%) and Hungary (0.6%) stand out as the countries with the highest PPPs.

*This is an automatic translation that has not yet been reviewed.
Only the Portuguese version is authentic.*

Chart 5 – Contingent liabilities with PPPs in the European Union
(as a % of GDP)



Source: Eurostat. Last update: 31.01.2025.

3. LIABILITIES ASSOCIATED WITH GUARANTEES

3.1 Guarantees granted by the Treasury and Finance Authority

Guarantees granted during the year⁴

In 2024, under various legal regimes, State guarantees amounting to €410 million (-€36 million compared to 2023) were authorised. Of this amount, €225 million relates to two guarantees granted to the Autonomous Region of Madeira (RAM) for the refinancing of its debt. The remaining €185 million was authorised under the legal regime aimed at supporting the granting of permanent home loans to young people up to the age of 35. In the latter case, although the guarantee was authorised up to a total amount of €1.2 billion, only part of it was contracted in December 2024, with the remaining contracts to be signed in 2025 (Erro! A origem da referência não foi encontrada.).

Table 1 – Guarantees granted by the State in 2024 (in € million)

	2023	2024	2023/24
Entidades do sector das AP	446	225	-221
Região Autónoma da Madeira	446	225	-221
Sector Financeiro	0	185	185
Garantia Jovem HPP	0	185	185
Total	446	410	-36
em % do PIB	0,2	0,1	0,0

Source: CGE/2024. | Note: Taking into account the dates of signature of the respective guarantee contracts or declaration of endorsement.

Active State guarantees

In 2024, the State's effective liabilities associated with guarantees granted through the DGTF/ETF⁵ recorded a further reduction. In that year, the amount of these liabilities totalled €9,250 million, €1,719 million less than in 2023, equivalent to 3.2% of GDP (Erro! A origem da referência não foi encontrada.). Since 2020, these liabilities have been on a downward trend, both in nominal terms and as a percentage of GDP.

Guarantees granted to public administration entities accounted for more than 70% of the total in 2024. Among the main beneficiaries in this segment, the Autonomous Region of Madeira (RAM) stands out with an amount of €2.874 billion. Most of this amount is for refinancing and consolidating the debt of the Autonomous Region and regional public entities, as well as for financing the construction of the New Central and

⁴ According to the dates of signature of the respective guarantee contracts or declaration of guarantee. The liabilities associated with the guarantees granted only become effective depending on the use of the underlying financing operations. For example, for 2024, the liabilities assumed amount to €10,100 million, according to the General State Account (CGE)/2024, compared with €9,250 million in effective liabilities (detailed in Table 2 of the Erro! A origem da referência não foi encontrada.).

⁵ The Treasury and Finance Entity (ETF) succeeded the Directorate-General for Treasury and Finance (DGTF) following the restructuring of the latter by [Decree-Law No. 56/2025 of 31 March](#). The ETF is responsible, in particular, for granting and monitoring State guarantees.

University Hospital of Madeira. Also in this segment, the Mutual Counter-Guarantee Fund (FCGM) is worth mentioning as a beneficiary, with active guarantees of €1.217 billion in 2024. These guarantees were intended to secure the FCGM's capital liabilities for counter-guarantees provided to mutual guarantee companies in the context of credit lines to companies with different investment and economic support purposes, including lines created in response to the pandemic (COVID lines). It should be noted that these guarantees are consolidated within the PA and therefore do not constitute an increased risk. As regards the FCGM, the guarantees granted through it are analysed in section 3.4.

Table 2 – Active State guarantees (effective liabilities, in € million)

Beneficiários das garantias	2020	2021	2022	2023	2024	2023/24
Entidades do sector das AP	8 971	8 597	8 526	8 242	6 718	-1 524
<i>Administração Central</i>	6 757	6 204	5 933	5 466	3 832	-1 633
<i>Sociedades Não Financeiras (SNF)</i>	5 035	4 464	3 969	3 626	2 569	-1 057
Infraestruturas de Portugal	1 934	1 804	1 675	1 516	943	-573
Metropolitano de Lisboa	1 546	1 347	1 210	1 210	910	-300
Construção Pública (ex-Parque Escolar)	842	804	747	686	622	-64
EDIA-Emp. Des. Infra-estrut. do Alqueva	150	117	110	63	58	-6
Metro do Porto	507	392	228	151	37	-115
CP-Caminhos de Ferro Portugueses	56	0	0	0	0	0
<i>Sociedades Financeiras</i>	1 655	1 679	1 901	1 784	1 217	-568
FCGM-Fundo de Contragarantia Mútuo	1 456	1 640	1 901	1 784	1 217	-568
Fundo de Resolução	200	39	0	0	0	0
<i>Outras entidades</i>	67	61	63	55	47	-8
IHRU-Inst. Habitação e Reabilitação Urbana (ex-INH)	67	60	63	55	47	-8
Outras entidades	0	0	0	0	0	0
<i>Administração Regional</i>	2 214	2 393	2 592	2 776	2 885	109
Região Autónoma da Madeira	2 194	2 375	2 577	2 763	2 874	111
Adm. Portos da Região Autónoma da Madeira (SNF)	21	18	16	14	11	-2
Entidades do Sector Público não incluídas nas AP (EPNR)	1 409	1 215	1 115	1 028	924	-104
<i>Entidades do Setor Empresarial do Estado</i>	1 371	1 184	1 089	1 005	903	-102
<i>Sociedades Não Financeiras</i>	1 371	1 184	1 089	1 005	903	-102
AdP -Águas de Portugal	1 111	1 048	979	902	821	-81
EPAL-Emp. Portug. das Águas Livres	89	79	68	58	47	-11
APDL-Administração Portos do Douro e Leixões	15	14	12	24	23	-1
Outras entidades	32	27	22	17	12	-5
<i>Entidades do Setor Empresarial Regional</i>	38	32	25	23	21	-2
EDA-Emp. Elec. Açores	38	32	25	23	21	-2
<i>Entidades do Setor Empresarial Local</i>	125	17	8	4	0	-4
STCP - Soc. Transp. Colect. Porto	100	0	0	0	0	0
LIPOR	25	17	8	4	0	-4
Sector Financeiro	10	11	12	13	14	1
BEI (Garantias Países ACP)	10	11	12	13	14	1
Outras	1 093	1 109	1 687	1 686	1 595	-91
... das quais Linhas Concessionais*	1 091	1 107	1 094	1 039	1 002	-37
... das quais Instrumentos Europeus	0	0	593	647	592	-55
Total	11 483	10 933	11 340	10 969	9 250	-1 719
em % do PIB	5,7	5,1	4,6	4,1	3,2	-0,9
Por memória						
Entidades do sector das AP	4,5	4,0	3,5	3,0	2,3	-0,7
Entidades do Sector Público não incluídas nas AP	0,7	0,6	0,5	0,4	0,3	-0,1
Outras*	0,5	0,5	0,7	0,6	0,6	-0,1

Source: DGTF/ETF. | Notes: * "Aid credits" to Portuguese-speaking countries, among other countries.

In 2024, guarantees granted to entities outside the PA sector were entirely held by non-financial companies. In that year, liabilities associated with these guarantees amounted to €924 million, equivalent to 0.3% of GDP. Águas de Portugal (AdP) accounted for 89% of these liabilities, corresponding to guarantees for financing obtained from the European Investment Bank (EIB). The State's risk exposure to guarantees granted to

banking institutions through the ETF remained non-existent, mainly as a result of the extinction, in 2020, of the Portfolio Guarantee (€2.8 billion).⁶

Under the heading "Other", concessional lines stand out. In this subset of guarantees, which totalled €1,595 million in 2024 (0.6% of GDP), almost one third (63%) relate to concessional lines, amounting to €1,002 million. These operations are part of cooperation programmes for development and support for the internationalisation of Portuguese companies, contributing to strengthening Portugal's foreign policy and economic presence in strategic markets. Since 2022, the State has also been assuming responsibilities for various European instruments: *Pan-European Guarantee Fund*, SURE and support for Ukraine (**Erro! A origem da referência não foi encontrada.** Table).

Guarantees executed

In 2024, State payments arising from the execution of guarantees mainly reflected liabilities associated with the Mutual Counter-Guarantee Fund (FCGM) and the *Pan-European Guarantee Fund*. The total amount executed amounted to €115 million, €29 million less than in 2023. Of particular note are the payments made to the FCGM, amounting to €112 million, intended to partially cover the losses of mutual guarantee companies, ensuring the stability and solvency of the National Mutual Guarantee System (SNGM). Under the *Pan-European Guarantee Fund*, payments of €3.1 million were made to ensure compliance with the responsibilities associated with operations to support micro, small and medium-sized enterprises affected by the economic impact of the pandemic in the EU.

Table 3 – Guarantees enforced in 2024 (in € million)

	2023	2024	2023/24
Entidades do sector das AP	141	112	-29
FCGM - Fundo de Contragarantia Mútuo	141	112	-29
Outras	3	3	0
Pan-European Guarantee Fund (EGF)	3	3	0
Total	144	115	-29
em % do PIB	0,1	0,0	0,0

Source: CGE/2024. | Note: Payments made on guarantees called.

3.2 Other guarantees granted by the State

The State also granted guarantees in the context of official export and investment support. In 2024, the total value of guaranteed liabilities amounted to €1,110 million, slightly above 2023.⁷ This amount includes (**Erro! A origem da referência não foi encontrada.**):

⁶ A guarantee instrument created in 2013 with a maturity of seven years, through which the Portuguese Republic guaranteed, up to a limit of €2.8 billion, the fulfilment of the obligations assumed by credit institutions - currently NOVO BANCO and BCP - with the EIB.

⁷ In 2024, the official export and investment support system comprised two export credit agencies, Banco Português de Fomento (BPF) and the former insurance company COSEC. From 2026 onwards, this function will be the exclusive responsibility of BPF.

i) liabilities for guarantees provided under the management of Banco Português de Fomento (BPF) relating to the Portugal-Angola Agreement under the provisions of Article 3 of Decree-Law No. 63/2020 of 7 September, which constitute instruments to support the export of goods and services of Portuguese origin to Angola (€386 million in 2024, €147 million more than in 2023);

ii) guaranteed liabilities arising from export insurance, financial credit, surety and investment operations under legislation prior to the aforementioned Decree-Law and previously managed by the insurance company COSEC (€724 million, €101 million less than in 2023).

Table 4 – Other liabilities guaranteed by the State (in € million)

	2023	2024	2023/24
Facilidade de Curto Prazo (fora da OCDE)	173	169	-4
Seguro de Créditos Financeiros	469	379	-90
Seguro Caução	141	133	-8
Seguros de Créditos à Exportação	38	38	0
Seguros de Investimento	4	4	0
Subtotal	825	724	-101
Garantias prestadas sob gestão do BPF	239	386	147
Total	1064	1110	46
em % do PIB	0,4	0,4	0,0

Source: CGE/2024.

Box 1 – Public Guarantee for Youth Housing Loans

Decree-Law No. 44/2024 of 10 July created a scheme that allows the State to provide a personal guarantee to credit institutions, with a view to enabling the granting of loans for permanent owner-occupied housing to young people up to the age of 35, supporting them in the purchase of their first home. This guarantee aims to allow banks to finance up to 100% of the value of the property, exceeding the prudential *loan-to-value* ratio limit imposed by the Bank of Portugal. The State acts as guarantor, assuming a portion of the risk associated with the property transaction.

The guarantee applies to first-time purchases of **permanent homes**, provided that all of the following requirements are met:

- **Age:** between 18 and 35 years old, with tax residence in Portugal;
- **Income:** up to the 8th PIT bracket (2025);
- **Property:** transaction value up to €450,000, located in Portugal;
- **Ownership:** the borrower cannot already own another residential property;
- **History:** not having previously benefited from this guarantee;
- **Tax and social security situation** in order;
- **Term:** loan taken out until 31 December 2026.

The amount of the State personal guarantee may not exceed 15% of the property transaction value and has a maximum duration of 10 years from the start date of the contract. This percentage is reduced proportionally if the credit institution finances less than 100% of the transaction value. In the event of partial early repayment of the loan, the State guarantee is also reduced proportionally. If there are

contractual changes, such as changes in the term, interest rate or grace periods for capital or interest, the State guarantees remain in place, provided that these changes do not entail an increase in liabilities for the State.

According to [Order No. 13588/2024 of 12 November](#), the maximum overall amount of guarantees to be granted by the State under this scheme was set at €1.2 billion. However, this amount was increased by €350 million in September 2025, through [Order No. 11225/2025, of 24 September](#), totalling €1.55 billion. This amount is distributed among credit institutions based on their market shares in the granting of mortgage loans, as defined in [Order No. 14916/2024, of 18 December](#). In turn, [Ordinance No. 236-A/2024/1, of 27 September](#), regulates the law and approves the Protocol to be signed between the State and participating credit institutions.

If the borrower fails to meet the loan payments:

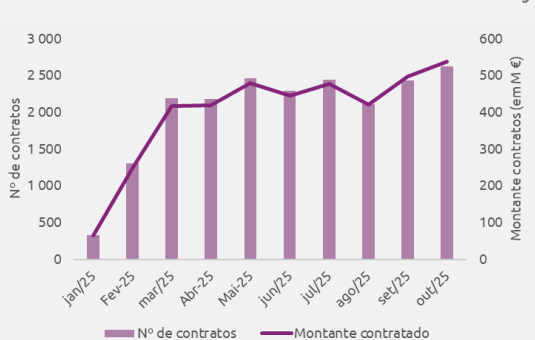
- The State acts as guarantor, covering up to 15% of the initial principal amount contracted;
- This is the maximum limit that the State guarantees per transaction, even if the bank's loss is higher;
- The State's liability is conditional on the borrower's risk and only materialises when the credit institution is unable to recover the amount owed.

In this sense, the guarantees granted under this scheme constitute contingent liabilities for the State, associated with the risk of default by the borrowers covered. Although limited to only a portion of the value of each transaction and to an authorised overall amount, these guarantees reflect a potential financial commitment by the State to share risk with the banking sector.

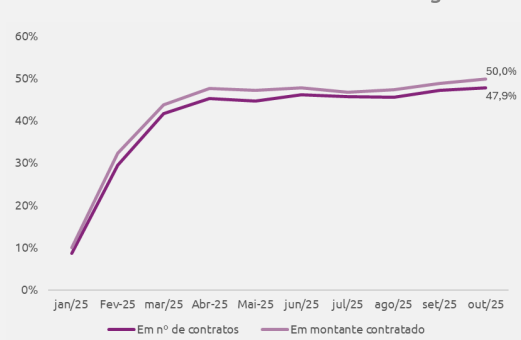
According to data from the Bank of Portugal, between January and October 2025, 20,391 contracts were signed with State guarantees for the purchase of HPP, totalling €4,012 million. In cumulative terms, this scheme represented approximately 41% of contracts and 44% of the amount of HPP credit granted to people aged up to 35 during that period. The weight of contracts with State guarantees increased progressively: in January, only 9% of contracts and 10% of the amount benefited from the guarantee, while in October this weight rose to 48% of contracts and 50% of the total amount of new contracts with debtors in this age group (Erro! A origem da referência não foi encontrada.). According to data from the Bank of Portugal, at the end of October, €551 million had been used, corresponding to 46.5% of the total amount allocated by the State for guarantees under this scheme.

Chart 6 – New contracts signed for HPP, with State guarantee

Number of contracts and amount contracted - monthly



As a % of new HPP contracts with debtors aged ≤ 35



Source: Bank of Portugal. Information available on 17/11/2025.

Under the European System of Accounts (ESA 2010), public guarantees associated with the HPP scheme for young people were considered standardised guarantees. This classification implies that, in the general government accounts, an estimated loss associated with the risk of the operation is

recognised and recorded at the time it is granted. This statistical treatment allows the potential impact of these guarantees on public accounts to be reflected in advance.

3.3 Guarantees granted by other central government entities and social security

In 2024, the stock of guarantees granted by other Central Government and Social Security entities amounted to €3,216 million (1.1% of GDP), a reduction of €1,846 million compared to 2023, concentrated in three main entities (Erro! A origem da referência não foi encontrada.):

- **Mutual Counter-Guarantee Fund (FCGM):** Accounts for almost the entire amount (98.5%), functioning as a risk-sharing instrument with the financial system, covering credit operations to support the economy. Part of these guarantees (approximately €1.2 billion) is counter-guaranteed by the State (Erro! A origem da referência não foi encontrada.).
- **Social Security Financial Management Institute (IGFSS):** Grants guarantees for lines of support to the social sector, aimed at strengthening the financial indebtedness capacity of private social solidarity institutions (IPSS) and similar entities. In 2024, this type of guarantee amounted to €39 million.
- **Municipal Support Fund (FAM):** Acts as a financial assistance instrument for municipalities in a situation of economic and financial imbalance, and may grant guarantees for financial rebalancing operations. In 2024, the value of active guarantees provided by the FAM amounted to €10 million, corresponding to a support operation for the Municipality of Vila Real de Santo António, under the respective financial adjustment plan.

Table 5 – Guarantees granted by other entities (in € million)

	2023	2024	2023/24
Fundo de Contragarantia Mútuo (FCGM)	5 004	3 167	-1 837
Fundo de Apoio Municipal (FAM)	16	10	-6
Apoio ao Setor Social (IGFSS)	42	39	-3
Total	5 062	3 216	-1 846
em % do PIB	1,9	1,1	-0,8

Source: CGE/2024.

3.4 Counter-guarantees associated with the FCGM

According to the latest data from the BPF, outstanding counter-guarantees associated with the FCGM amounted to €3,538 million at the end of 2024. These include

guarantees associated with credit lines in response to COVID-19 (€1,887 million⁸) and other lines (€1,651 million⁹), as analysed in more detail in the following points. In 2025, the new guarantees under the InvestEU lines will be particularly important. The State, through the ETF, guarantees €1.217 billion (**Erro! A origem da referência não foi encontrada.**), amounts that should be consolidated in an overall perspective of the AP.

Guarantees in response to COVID-19

The response to the economic, social and health crisis triggered by COVID-19 led the government to adopt extraordinary measures to support the economy. In addition to measures with a direct fiscal impact, measures were also adopted to support the liquidity of households and businesses. The most common forms of liquidity support focused mainly on public guarantees granted to credit lines. The liabilities underlying this support led to an increase in contingent liabilities.

The Temporary Framework for State Aid approved by the European Commission in March 2020 authorised the granting of public guarantees for a maximum amount of €13 billion in underlying contracted loans. The guarantees granted by the Portuguese State under the so-called COVID-19 credit lines were applied within this framework, with commercial banks providing the financing, benefiting from the guarantee of the National Mutual Guarantee System (SNGM). These guarantees are covered by the FCGM, a mechanism endowed with public funds integrated into the PA sector.

At the end of 2024, the amount of credit contracted under COVID-19 lines totalled €9,337 million. According to information provided by Banco Português de Fomento (BPF), as at 31 December of that year, three quarters of this amount (€7.19 billion) benefited from guarantees covered by the FCGM, corresponding to outstanding liabilities in the portfolio of €1.887 billion (Table 2). The amount of counter-guarantees secured by the FCGM in the three highest risk classes totalled €2015 million (), covering almost 80% of the credit contracted in these classes. The remaining part of the contracted credits, equivalent to almost three quarters of the total (€6733 million), was concentrated in the low and medium risk levels, covered by approximately 74% by the FCGM.

⁸ The difference from the amount reported in Table 2.21 of CGE/2024 (€1,914 million) is due to the COVID-19 support lines for the economy - Exporters and Event Organisation, for which CGE/2024 considered the maximum initial exposure, while BPF provided information on *the cap rate* applied to outstanding financing.

⁹ This amount, which is higher than that shown in Table 2.21 of CGE/2024, takes into account all guarantees, namely the so-called portfolio guarantees issued by SGMs.

Table 2 – Credit lines with guarantees from public administrations in response to COVID-19, by risk class (in € million, except where indicated)

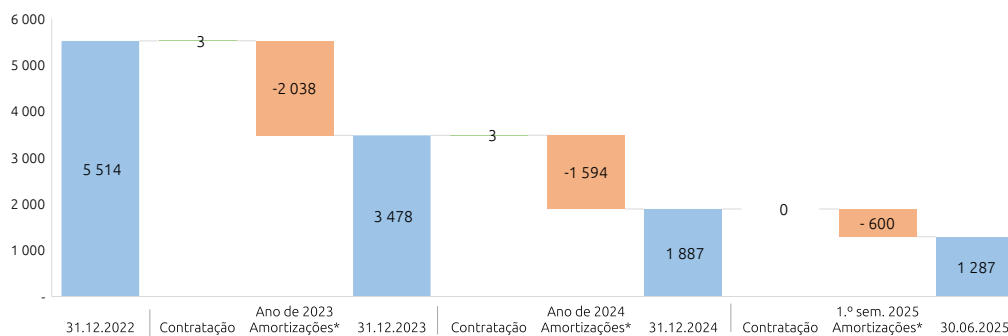
Classe de risco*	(1)	(2)	(3)	(4)	(5)	(6)=(4)/(1)	(7)
	Crédito contratado (M€)	Garantias emitidas (M€)**	N.º de empresas apoiadas	Contragarantia prestada pelo FCGM (M€)**	Garantias vivas (M€)***	Capital contragarantido (%)	Garantias emitidas (% do total)
Total	9 337	7 190	59 263	6 970	1 887	75%	100%
Baixo	3 024	2 187	17 416	2 187	459	72%	30%
Médio	3 709	2 768	17 921	2 768	775	75%	38%
Alto	1 847	1 429	18 730	1 424	409	77%	20%
Acompanhamento	312	251	1 588	250	43	80%	3%
Default	444	555	3 608	341	201	77%	8%

Source: Banco Português de Fomento. Own calculations and preparation. Notes: *Taking into account the internal rating of the SNGM (National Mutual Guarantee System). ** Does not include €210 million relating to lines with autonomous guarantees. ***. The "Default" class includes amounts relating to autonomous guarantees not reflected in column (4).

In 2024, the outstanding portfolio of liabilities associated with guarantees covered by the FCGM represented less than a third of the maximum recorded in 2021. At the end of 2021, according to BPF information, the outstanding portfolio of those liabilities totalled €6,349 million, and €5,514 million a year later. In 2023 and 2024, repayments amounted to approximately €3.6 billion, reflecting the reduction in the principal of guaranteed credit agreements after the end of the grace periods. In the same period, new agreements were residual, since most of the lines had been closed since the end of 2021 (Chart1). Loans contracted with guarantees under these lines generally had repayment terms of up to 6 years, which means that the public guarantees associated with these operations will remain in force, keeping contingent liabilities active until 2027/2028, depending on the year in which the credit was contracted.

More recent data provided by the BPF indicate that in the first half of 2025, the FCGM's outstanding portfolio continued on a downward trajectory. In that half-year, the outstanding guarantee portfolio fell to €1,287 million as a result of €600 million in repayments (Chart1).

Chart1 – FCGM: evolution of outstanding counter-guarantees under COVID-19 lines (€ million)



Source: BPF. Own calculations and elaboration. Notes: * Includes cancellations.

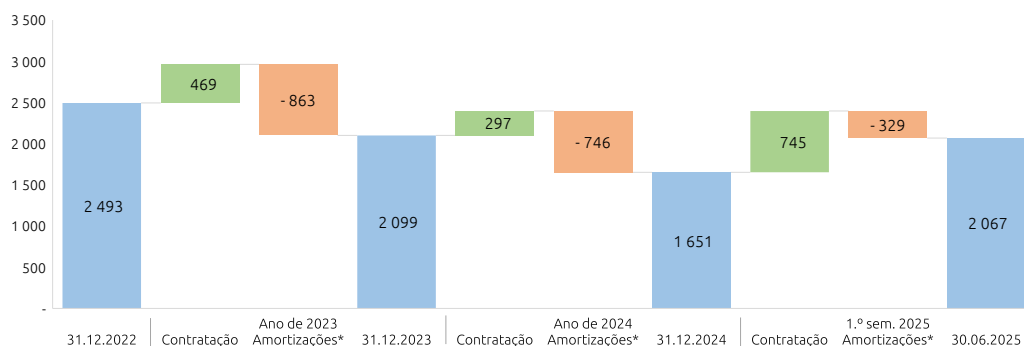
In the case of standardised guarantees, INE reflected, in 2020, as other capital expenditure, an amount of €326.1 million (2nd EDP notification; INE, 2021) in the general government accounts. The amount recorded corresponded to a reliable estimate of the estimated losses from the execution of these guarantees from the

COVID-19 support lines granted. Additional expenditure amounts associated with guarantees granted in 2021 and 2022 were added to this amount, totalling €46 million. This means that if the cumulative execution of guarantees granted does not exceed the sum of these amounts (€372 million), the general government balance will not be penalised again. According to information from the BPF, the execution of COVID-19 guarantees totalled €259.4 million at the end of the first half of 2025 in cumulative terms (i.e. since 2020).

Counter-guarantees secured by the FCGM that are not COVID-19 related

In addition to the COVID-19 guarantee lines, the FCGM counter-guaranteed other guarantees under the SNGM. At the end of 2024, the outstanding portfolio of non-COVID-19 liabilities amounted to €1,651 million (Chart2), as a result of a volume of repayments that was significantly higher than that of new contracts. Of that amount, €171 million relates to InvestEU lines (see Box 1). According to the latest information provided by the BPF for the end of the first half of 2025, guarantees under InvestEU lines totalled €847 million, reflecting a significant increase in new contracts during that period. These guarantees accounted for almost all (95%) of the contracts in the half-year, while the volume of repayments remained low (10% of those recorded in the period for non-COVID lines). This development boosted the FCGM's non-COVID counter-guarantee portfolio to €2,067 million (Chart2), bringing the total liabilities of the portfolio to €3,354 million at the end of June 2025.

Chart2 – FCGM: evolution of outstanding non-COVID-19 counter-guarantees (€ million)



Source: BPF. Own calculations and elaboration. Notes: * Includes cancellations.

Box 1 – Liabilities associated with BPF contingent liabilities

Banco Português de Fomento, S.A. (BPF) is the national development bank, wholly owned by public entities. It acts as an instrument of State economic policy, mobilising national and European resources to support investment and capitalisation of Portuguese companies. According to the European System of National and Regional Accounts (ESNA), BPF is classified outside the scope of public administrations. However, certain specific operations, even if carried out by an entity outside the institutional sector of public administrations, may be (re)classified ("rerouting"), given their nature and the risk assumed by public administrations. In the exercise of its functions, the BPF acts as manager and operator of a wide range of funds, most of which are classified in the general government sector, such as the Mutual Counter-Guarantee Fund (FCGM), the Debt and

Guarantee Fund (FD&G), the Innovation Financing Support Fund (FINOVA) and the Capitalisation and Resilience Fund (FdCR). The distinction between the institutional framework of the BPF and that of the financial vehicles it manages is essential for the correct identification and analysis of the State's contingent liabilities.

As the main managing and operating entity for public guarantees for corporate credit, the BPF plays a central role in the implementation of public financing policies, with the financial risk of these operations being borne, to a large extent, by the public funds it manages, namely the FCGM. For this reason, the guarantees structured under these mechanisms are one of the main sources of contingent liabilities for the State, especially when they involve public funds or indirect financial commitments.

As at 31 December 2024, the following guarantees and instruments with potential contingent impact on the State stand out:

- **National Mutual Guarantee System (SNGM):** BPF coordinates the system and manages the FCGM, which insures part of the risk of guarantees issued by Mutual Guarantee Companies (Norgarante, Lisgarante, Garval and Agrogarante)¹⁰. The FCGM is financed with national and European public funds, with a total net value of €716.8 million in December 2024. In the event of default by beneficiary companies, the FCGM may be activated, implying the mobilisation of additional State resources.
- **BPF – InvestEU Guarantee Lines:** launched in 2024, with a total amount of €3.6 billion, co-financed by the European Union and backed by a Community counter-guarantee of up to €210 million. These lines are operated through the FCGM, under the management of the BPF. Although European coverage mitigates the risk, there remains a component of national liability not covered by the Community counter-guarantee, associated with the management of public funds by the FCGM and any losses or financial corrections not covered by the European guarantee. In this context, BPF acts as InvestEU's *implementing* partner in Portugal, responsible for structuring these instruments and liaising with the European Commission within the scope of the Community guarantee.
- **ESG and Thematic Lines:** these include programmes to support sustainable investment, innovation and social cohesion, often with partial public guarantees. These lines promote economic policy objectives, but may also involve contingent liabilities when they involve risk coverage by public funds. Examples of these are the More Sustainable Tourism Line (€50 million), the Decarbonisation and Circular Economy Line (€100 million) and the Entrepreneurship and Self-Employment Line (€253 million). These lines, co-financed by European and national funds, combine guarantees and subsidies, and involve contingent financial risks when they involve risk coverage by public funds.
- **COVID-19 lines:** created in 2020 to mitigate the economic effects of the pandemic, these lines ensured SMEs' access to bank credit through publicly guaranteed lines and partial conversion mechanisms into grants. These lines have not accepted new operations since their closure, but still maintain active guarantees and financing, which may generate obligations in the event of default or review of eligibility for support.

Together, the guarantee and counter-guarantee instruments managed by the BPF play a central role in the architecture of public guarantees in Portugal. These operations are often co-financed by European funds, but mainly by national fiscal resources, constituting direct and indirect

¹⁰ The merger process of the Mutual Guarantee Companies began in November 2023, at the proposal of BPF, as the main shareholder of the system. The operation provides for the incorporation of Lisgarante, Garval and Agrogarante into Norgarante, which will assume the legal continuity of SNGM. The merger decision was approved by shareholders in July 2025, with the process still pending the necessary legal and regulatory approvals.

contingent liabilities of the State. The eventual materialisation of these liabilities will depend on the default rate of guaranteed operations and the performance of ongoing economic development programmes.

In addition to the direct guarantees it operates, BPF also manages various capitalisation and investment funds, which are different in nature but also relevant in the context of the State's contingent liabilities. These instruments include the FdCR, endowed with €1.1 billion in RRP loans, and the FCEA (Azores Business Capitalisation Fund), with an allocation of €125 million, also financed by RRP loans, as well as other funds supporting innovation, internationalisation and business consolidation. Although they do not constitute public guarantees, these vehicles involve public financial resources and may generate indirect contingent risks, particularly those associated with the recoverability of investments made and the performance of the companies supported.

Source: Own elaboration based on the BPF Annual Report and Accounts (2024) and institutional information available on the BPF website.

3.5 Guarantees granted by the Regional Administration

Guarantees granted by the RAA

Liabilities associated with guarantees provided by the RAA decreased slightly in 2024. At the end of the year, these liabilities amounted to €403 million, €5.9 million less than in 2023, with the majority in the form of guarantees (€381 million). This reduction mainly reflected lower liabilities relating to EDA – Eletricidade dos Açores, SA (-€2.5 million) and SATA Holding (-€1.5 million). In 2024, more than 97% of the total stock of guarantees provided by the Regional Government benefited EPNR, totalling €373 million. Among these, the main beneficiaries were SATA Holding (€199 million) and Portos dos Açores (€133 million). This also includes the guarantee provided to FCGM (€21.6 million).¹¹

Table 7 – Actual liabilities with guarantees provided by the RAA (in € million)

	2023	2024	2023/24
Total EPR	10,2	8,3	-1,9
Ilhas de Valor, S.A.	7,5	6,1	-1,5
IROA, S.A.	2,2	1,8	-0,4
Teatro Micaelense, S.A.	0,4	0,4	0,0
Total EPNR	376,8	372,8	-4,0
Sata Holding, S.A.	200,0	198,5	-1,5
Portos dos Açores, S.A.	133,7	133,6	0,0
EDA, S.A.	23,0	20,5	-2,5
Lotaçor, S.A.	20,1	20,2	0,0
Total avales	387,0	381,1	-5,9
Garantia prestada ao FCGM	21,6	21,6	0,0
Total garantias	408,6	402,7	-5,9

Source: RAA Account 2024.

¹¹This guarantee corresponds to that provided by RAA under the specific credit line "COVID-19 - Support for Companies in the Azores".

Guarantees granted by RAM

The effective liabilities with guarantees provided by RAM decreased again in 2024. At the end of that year, they totalled €64 million, representing a reduction of €14 million compared to 2023. Almost all of these effective liabilities relate to Regional-Owned Enterprises (SERAM), notably APRAM – Administração dos Portos da RAM (Madeira Port Authority), classified as a Reclassified Public Entity (EPR), whose €16 million reduction in guarantees accounts for virtually all of the variation observed. This reduction results from the amortisation of APRAM's debt, partially financed with funds from the bond loan issued by the Region in May 2023, contributing to the decrease in the amount of guaranteed debt still outstanding.

Table 8 – Actual liabilities with guarantees provided by RAM (in € million)

	2023	2024	2023/24
Entidade beneficiária			
APRAM- Administração dos Portos da RAM, S.A	39,5	23,9	-15,6
Horários do Funchal - Transportes Públicos, S.A	34,9	37,1	2,2
ASSICOM - Associação da Indústria	3,6	3,0	-0,6
IGA - Investimentos e Gestão da Água, S.A	0,4	0,0	-0,4
Total garantias efetivas	78,5	64,1	-14,4

Source: RAM 2024 Account.

4. CONTINGENT LIABILITIES ASSOCIATED WITH PPPS

The weight of contingent liabilities associated with Public-Private Partnerships (PPPs) continued in 2024 the downward trend observed in previous years. According to the latest information released by INE on the DGO/EO website in October 2025, these liabilities represented 1.2% of GDP, 0.2 p.p. less than in 2023, and approximately two-thirds of the 2021 figure (Table 3).

Table 3 – Contingent liabilities related to PPPs (as a % of GDP)

	2021	2022	2023	2024
Administrações Públicas (AP)	2,0	1,7	1,4	1,2
...dos quais				
Administração Central	1,9	1,6	1,3	1,2

Source: INE. Note: Data calculated based on adjusted capital value; PPP outside the scope of general government.

4.1 Evolution of the Central Government's net PPP liabilities

According to UTAP data, there were 38 PPPs with a fiscal impact¹² spread across various sectors, with the highest incidence in the road sector. At the end of 2024, net PPP costs totalled €1.288 billion, of which four-fifths corresponded to road PPPs (**Erro! A origem da referência não foi encontrada.**). Compared to 2023, there was a slight increase, contributed to by the inclusion of costs related to the new PPP for the Lisbon Eastern Hospital (HLO), partially offset by a decrease in costs related to road PPPs. It should be noted that the figures analysed here do not coincide with those presented in Table 9, mainly due to differences in the universe considered. The information in this table, reported to Eurostat from a national accounting perspective, only considers PPPs outside the scope of the PA.

Table 10 – Net costs of PPPs, 2021 to 2024 (in € million)

	2021	2022	2023	2024
Total	1 542,1	1 355,7	1 261,9	1 287,7
...dos quais				
Rodoviárias	1 250,1	1 136,7	1 085,3	1 029,8
Saúde	241,0	162,7	126,4	211,0
Ferroviárias	52,7	58,1	61,2	60,9
Aeroportuário	0,0	0,0	-8,5	-11,2
Oceanário	-1,7	-1,8	-2,6	-2,8

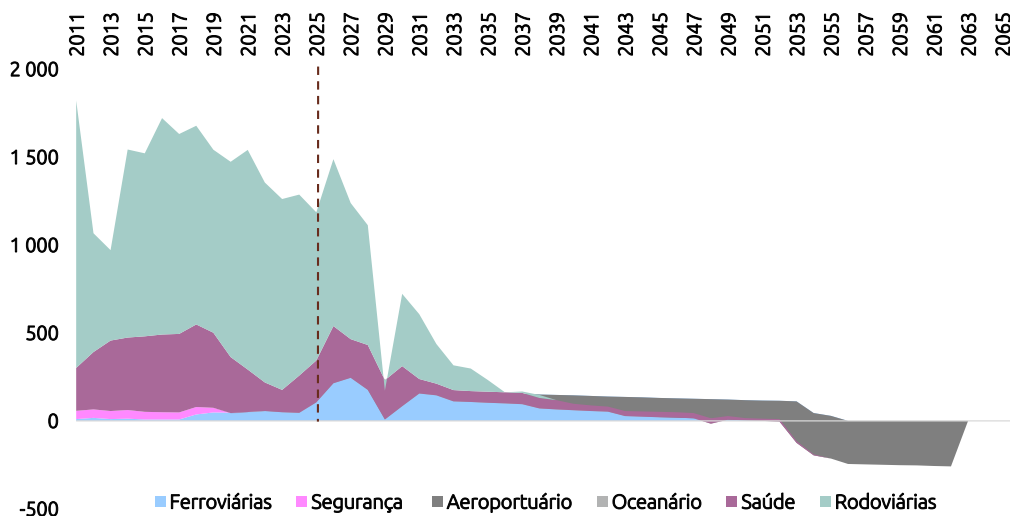
Source: Annual PPP Bulletin – 2021 to 2024. Note: Only considers PPPs in which the public partner is part of the institutional sector of the PA (see footnote 12).

¹² These PPPs only concern contracts in which the public partner is part of the institutional sector of the AP. Thus, the four concessions in the port sector are not considered here, since port administrations are outside the scope of the AP and are classified as non-financial public sector companies owned by the Central Administration. On the other hand, the figure in question does not take into account the management contracts relating to three hospitals (Braga, Vila Franca de Xira and Loures), PPPs that have ended but with litigation still pending, which, according to UTAP, justify continued monitoring.

4.2 Projected evolution of Central Government PPPs by segment

The forecast for future net PPP costs presented in the POE/2026 Report points to an overall downward trend between 2025 and 2062, but with levels remaining high in the short term, particularly until 2028. The higher net PPP costs between 2026 and 2028 are mainly due to the inclusion of new contracts, the payment profile of existing contracts and the incorporation of costs financed by the RRP and other European funds. There will also be a temporary increase in 2026 due to a one-off effect on PPP revenue in the road sector in the previous year.¹³ As for new PPPs, the most notable are, in the rail sector, the PPP for the Porto-Oiã section of the high-speed line (LAV) and, in the health sector, the PPP for the new Lisbon Oriental Hospital building. In these PPPs, the forecast for higher values from 2026 to 2028 incorporates the expected payments with European funding, either from the RRP or others, such as the *Connecting Europe* Facility in the case of the LAV. In the road sector, the higher level of projected costs mainly reflects increases in gross costs (major repairs, rebalancing and remuneration for services).

Chart 9 – Forecast of future net charges with PPPs (in M€)



Sources: Annual PPP Bulletin – 2012 to 2024; Report on the Proposed State Budget for 2026 (projections for 2025 onwards). Notes: figures at current prices until 2025; figures at constant prices for 2026 and beyond; includes PPPs in the road, rail, airport, health and ocean sectors. These data are not directly comparable with those published by Eurostat, namely differences in the universe of PPPs considered.

From 2027 onwards, these costs are expected to decline overall (Erro! A origem da referência não foi encontrada.). According to the forecast in the POE/2026 Report, it is only from 2053 onwards that net PPP costs are expected to cease to penalise the general government balance. This postponement compared to previous years – the forecast in the POE/2025 Report pointed to 2036 – is largely due to the inclusion of the various PPPs planned for the LAV. According to the same forecast, negative net costs

¹³ In the case of the road sector, the higher net charges result from the decrease in revenue forecast for 2026 (since contractual payments were made to the grantor in 2025, which are not expected to occur in 2026).

(reflecting a level of costs lower than the revenues from the use of the asset by the private partner) are expected to grow until 2053/2054, stabilising until 2062. These figures reflect the expectation of a favourable impact on public accounts which, at constant 2026 prices, will be €259 million. This development will be mainly driven by revenues from the provision of airport activities and services under the public airport service concession awarded to ANA – Aeroportos de Portugal, S.A. (ANA, S.A.),¹⁴ as well as the elimination of road PPP costs from 2041 onwards.

4.3 Explicit liabilities arising from the partnership agreement with the State

In addition to the potential liabilities associated with a possible change in the ownership of the assets underlying the PPPs, i.e. a reclassification of these assets to the PA sphere, there are also explicit potential liabilities arising from the partnership agreements entered into between the State and the private partner. In this context, we highlight the private partner's rights regarding the restoration of financial equilibrium (REF) provided for in the respective contracts, which may result in potential fiscal risks and/or contingent liabilities that could generate future costs.

Financial balance restoration and claims made in ongoing litigation

The total amount associated with requests for Financial Balance Restoration (REF) and ongoing litigation in PPPs amounts to €1.754 billion. According to the information provided in the POE/2026 Report, submitted in October 2025, more than 70% of that amount relates to road PPPs (Erro! A origem da referência não foi encontrada.). In the case of PPPs in the health sector, the amounts include contingencies relating to hospital PPP contracts that have already been completed but are still subject to pending litigation. In the airport sector, the amount relates to arbitration proceedings brought by the concessionaire (ANA) arising from a claim for compensation for air traffic restriction measures adopted by the State during the COVID-19 pandemic.

Table 11 – PPP: value of REF requests and ongoing litigation (in M€)

	POE/2025	POE/2026	Variação
Total	1 740,2	1 754,4	14,2
Rodoviárias	1 239,7	1 243,8	4,1
Saúde	86,4	101,7	15,3
Ferrovíarias	204,1	198,9	-5,2
Aeroportuário	210,0	210,0	0,0

Source: Own elaboration based on Point 6.3.2. of the POE/2026 Report.

4.4 PPPs of the Regional and Local Administration

In the Autonomous Regions, PPPs include a road partnership in the Azores and two in the same sector in Madeira, for which two special purpose vehicles were created - Via Expresso and Via Litoral - both with a 20% stake in the Autonomous Region of Madeira

¹⁴ The sharing of this revenue with the concessionaire means that future cash flows are based solely on that income, with no contractual charges for the public sector. The same applies to the Oceanário concession, although with proportionally lower revenue amounts.

(RAM). In addition, there is a PPP in the health sector in the RAA. In local government, nearly a quarter of municipalities had established PPP contracts (Box 3).

PPP in the RAA

In 2024, PPP liabilities in the Azores amounted to €619 million, representing 10.7% of regional GDP.¹⁵ These liabilities relate to two contractual PPPs, one in the road sector – a SCUT concession, “at no cost to the user” on the island of São Miguel – and the other in the health sector, relating to the management of the Terceira Island Hospital Building, with annual payments until 2037 and 2039, respectively. The data made available annually in the Autonomous Region of the Azores Account (CRAA) show an overall downward trend in these charges, albeit slight. More than three quarters of the liabilities calculated relate to the road PPP (Table 4).

Table 4 – PPP liabilities in the RAA (in M€)

	2021	2022	2023	2024
Total	648,1	640,8	632,9	619,1
...das quais				
...SCUT São Miguel (PPP rodoviária)	504,5	494,0	488,5	478,6
... Concessão da gestão do edifício do Hospital da Ilha Terceira (PPP saúde)	143,6	146,8	144,4	140,5
<i>Por memória</i>				
Em % do PIB regional	14,8%	13,2%	11,8%	10,7%

Sources: Own elaboration based on CRAA 2021-2024, INE, Regional Accounts for the GDP of the Azores (2021-2023); ORAA/2026 proposal for the GDP of the Azores for 2024.

PPP in the Autonomous Region of Madeira

In 2024, future PPP costs in Madeira fell again, totalling €236 million (Erro! A origem da referência não foi encontrada.). The absence of new partnerships and the expiry of the two existing PPPs, both road-related (“Via Expresso” and “Via Litoral”), with no change to their contractual terms, explain why their costs have been falling in recent years. These costs extend until 2029 for Via Expresso, while Via Litoral was subject to an extension of the concession contract until 2026, thus largely justifying the reduction in the expected liabilities. It should be noted that the concession companies in these partnerships are 20% owned by the Autonomous Region of the Madeira (RAM).

Table 13 – PPP liabilities in RAM (in € million)

	2021	2022	2023	2024
Total	446,1	367,9	291,5	235,7
<i>Por memória</i>				
Em % do PIB regional	8,8%	5,9%	4,2%	3,1%

¹⁵ The value of these liabilities is calculated at present values, using a discount rate for this purpose, so that the evolution depends, in part, on the number of years remaining on the contracts.

Source: Own elaboration based on CRAM 2021-2024, INE, Regional Accounts for Madeira's GDP (2021-2023); ORAM/2025 proposal for Madeira's GDP for 2024.

Local Government PPPs

In this subsector, the DGAL report “Panorama dos Contratos Municipais em regime de PPP” (Overview of Municipal PPP Contracts) from 2024 identifies the existence of 122 operations with PPP characteristics. Of these, 90 are contractual in nature and 32 are corporate and/or institutional¹⁶, involving 68 of the 308 municipalities. There is no specific legal framework for municipal PPPs: these are established under the legislation applicable to public procurement, and their conclusion is subject to prior approval by the Court of Auditors (TdC).

Box 3 – Municipal PPPs

The use of PPPs at municipal level grew significantly between the late 1990s and 2009, driven by the opening up of the water, waste and urban facilities sectors to the private sector. Since then, the pace of new partnerships has slowed as a result of legal and regulatory changes, which have also led to the conversion or termination of some operations. Most contractual partnerships focus on the environment and basic sanitation, mainly water, sanitation and waste concessions, followed by urban facilities such as car parks. Institutional partnerships, many structured through mixed capital companies, predominate in the promotion of development and education.

The most common model provides for the private partner to finance and execute investments, although there are cases of shared responsibility. Contractual partnerships tend to be financially self-sustaining, with many including mechanisms for remuneration in favour of the municipality, while corporate partnerships often generate costs for the public partner. Currently, 38 PPP operations with multi-year costs are being monitored by the DGAL: 21 contractual and 17 institutional.

Approximately 38% of contractual partnerships have been subject to contractual changes and more than 20% have involved financial rebalancing, particularly in the water, sanitation and waste sectors. A new cycle of municipal PPPs is expected in the coming years, driven by the contracting of public transport services, the reorganisation of low-voltage electricity concessions and the energy transition targets set out in the 2030 National Energy and Climate Plan.

Institutional partnerships continue to have significant financial liabilities. Although the report does not present an aggregate total, several companies have liabilities arising from medium and long-term loans and other contractual commitments, representing a significant fiscal risk for municipalities.

Source: Directorate-General for Local Authorities (DGAL), [Overview of Municipal Contracts under Public-Private Partnerships and Concessions – 2024](#).

¹⁶ Contractual PPPs are partnerships established on the basis of a long-term contract between the partners. Institutional PPPs, on the other hand, are based on the creation of a joint corporate entity, owned in partnership.

5. LIABILITIES OF ENTITIES CONTROLLED BY THE PA OUTSIDE THE FISCAL PERIMETER

This chapter aims to detail the liabilities relating to contingent liabilities of entities controlled by the PA, but which are outside that sector. As previously mentioned, the liabilities of financial companies (namely banks) owned by the PA (meaning the State) are excluded from this analysis. Therefore, the liabilities of these entities, such as CGD, are not included, since most of these liabilities correspond to deposits from companies, households and other entities. On the other hand, banks also have a significant level of assets that are not captured in the contingent liabilities statistics.

The analysis presented is consistent with the methodology adopted in [the latest CFP report on the SOE and SER](#), focusing exclusively on public entities outside the scope of general government classified as EPNR. The analysis of the so-called Local Business Sector (SEL) is not included, due to the unavailability of recent comparable official information for the same years.¹⁷ Similarly, other public entities outside the scope of the SOE and ROE that meet the exclusion criteria adopted in this analysis are not covered, namely funds, companies in liquidation or inactive in 2024, entities based abroad or international organisations, as well as entities solely owned by Autonomous Services and Funds (SFA) of the Central Government. Although some of these entities may be included in the statistical reporting to Eurostat in specific circumstances, they are not systematically monitored in the context of the CFP reports.

5.1 State-Owned Enterprises (SOE)

In 2024, there will be a decrease in the total debt of SOE companies involved in activities other than financial activities, broadly speaking public companies not included in the general government sector. At the end of 2024, this debt corresponded mainly to current liabilities, amounting to €4.4 billion, €0.3 billion less than in 2023, and representing 1.5% of GDP. In this segment, the fiscal risks that could generate liabilities for the general government lie, in particular, in the need to intervene in entities experiencing difficulties due to staff bankruptcy (negative equity), economic losses (persistent accumulated losses) or inefficient management. As these liabilities are contingent, they cannot be determined in advance and in many cases are implicit liabilities with no predetermined cost or known. The impact of these liabilities on public finances will only be felt if a specific event occurs.

¹⁷ The latest DGAL report on the SEL refers to 2018, but does not distinguish between the EPNR universe and those classified within the Local Government subsector in national accounts.

Table 14 – Debt of public companies not included in the general government sector (EPNR) (in € million)

	2023			2024			2023/24
	Dívida financeira*	Dívida não financeira**	Dívida total	Dívida financeira*	Dívida não financeira**	Dívida total	Dívida total
Total EPNR	2 305,9	2 390,4	4 696,3	2 057,3	2 364,9	4 422,2	-274,1
Águas de Portugal ^{a)}	1 472,6	319,8	1 792,4	1 372,6	313,1	1 685,7	-106,8
TAP SA ^{a)}	650,5	674,7	1 325,2	533,1	624,8	1 157,9	-167,4
APL	17,9	36,4	54,3	13,5	30,1	43,6	-10,8
SIMAB ^{a)}	19,9	9,0	28,9	13,3	8,4	21,6	-7,3
NAV Portugal	60,4	89,2	149,6	46,2	78,6	124,7	-24,8
APDL	76,6	51,8	128,4	72,1	45,4	117,5	-10,9
APA ^{a) c)}	7,3	4,1	11,3	5,9	4,1	10,1	-1,3
Siavilo (Ex-TAP SGPS) ^{b)}	0,2	1 036,9	1 037,1	0,2	1 086,5	1 086,7	49,6
Outros	0,5	168,4	169,0	0,5	173,9	174,4	5,5
Total em % do PIB	0,9%	0,9%	1,8%	0,7%	0,8%	1,5%	

Source: SISEE (State-Owned Enterprises Information System), company annual reports and INE for GDP. | Note: a) Consolidated group accounts. b) Individual company accounts. c) Provisional accounts for 2024. *For this purpose, the financial debt figures presented in the individual/consolidated balance sheet of the companies were considered. ** For this purpose, the sum of debts to suppliers and other payables included in the individual/consolidated balance sheet of the companies was considered.

5.2 Regional-Owned Enterprises

Between 2023 and 2024, the liabilities of the EPNR in the Autonomous Regions increased overall, mainly due to developments in the RAA. In this autonomous region, the total debt of the EPNR grew by €113 million, reflecting increases in both financial and non-financial debt (**Erro! A origem da referência não foi encontrada.**). In contrast, in the Autonomous Region of Madeira (RAM), there was a €96 million reduction in total debt, explained by the simultaneous decrease in both the financial and non-financial components. In the aggregate of the two regions, the total debt of EPNRs increased by €17 million between 2023 and 2024, totalling €1,975 million in that year.

Table 15 – Debt of public enterprises not included in the regional public administration sector (EPNR) (in € million)

	2023			2024			2023/24
	Dívida financeira*	Dívida não financeira**	Dívida total	Dívida financeira*	Dívida não financeira**	Dívida total	Dívida total
Total EPNR Regiões	1 108,4	849,6	1 958,0	1 047,5	927,9	1 975,4	17,4
RAA	707,3	686,0	1 393,3	729,7	777,0	1 506,7	113,4
RAM	401,1	163,6	564,7	317,8	150,9	468,7	-96,0

Source: RAA 2024 Account and RAM 2024 Account. Note: *For this purpose, the financial debt figures presented in the companies' balance sheets were considered. ** For this purpose, the sum of debts to suppliers and other payables included in the companies' balance sheets was considered. In the case of the RAA, SATA Air Açores and SATA Gestão de Aeródromos were not considered as EPNR due to their reclassification within the scope of the AP by INE, despite their maintenance outside the fiscal scope in the CRAA 2024.

SERAA

In the Azores, the debt of EPNRs increased in 2024, mainly due to the increase in liabilities of Sata Internacional and EDA. The total debt of EPNRs grew by €113 million between 2023 and 2024, reflecting increases in both the financial and non-financial components (**Erro! A origem da referência não foi encontrada.**). Financial debt rose by €22 million, driven by EDA. Non-financial debt increased by €91 million, with Sata Internacional standing out. Overall, the debt of EPNRs in the region rose from 25.9% to

26.1% of regional GDP, showing a slight worsening in the debt position of these regional companies. In consolidated terms, the total debt of EPNRs in the Azores amounted to €1.507 billion in 2024, with more than half relating to Sata Internacional (€535 million) and EDA (€442 million). Also noteworthy, due to its importance, is the debt of the companies Portos dos Açores (€271 million) and Sata Holding (€210 million).¹⁸

As evidenced by the Court of Auditors' opinion on the RAA Account in 2024, there are significant weaknesses in the Region's EPNRs, with most of these entities maintaining fragile financial structures and levels of indebtedness that limit their ability to fulfil their responsibilities. The SATA Group remains the main focus of risk, reflecting negative results and increased pressure on its financial position. These vulnerabilities make the materialisation of contingent liabilities for the RAA more likely.¹⁹

Table 16 – Debt of public companies not included in the regional public administration sector (EPNR) – Autonomous Region of the Azores (in € million)

	2023			2024			2023/24
	Dívida financeira*	Dívida não financeira**	Dívida total	Dívida financeira*	Dívida não financeira**	Dívida total	Dívida total
Total EPNR	707,3	686,0	1 393,3	729,7	777,0	1 506,7	113,4
Lotação	21,3	6,0	27,3	21,3	6,7	28,0	0,7
Santa Catarina	0,0	0,1	0,1	0,0	0,3	0,3	0,2
EDA	335,5	65,8	401,3	379,2	63,2	442,4	41,1
EDA Renováveis	0,5	12,9	13,4	0,0	16,3	16,3	2,9
Portos dos Açores	133,7	121,1	254,8	133,0	137,6	270,6	15,8
Sata Holding	200,0	10,6	210,6	196,1	14,1	210,1	-0,5
Sata Internacional	16,3	465,6	481,9	0,1	534,6	534,7	52,8
GLOBALEDA	0,0	2,6	2,6	0,0	0,9	0,9	-1,7
SEGMA	0,0	1,3	1,3	0,0	3,2	3,2	1,9
Total em % do PIBR	13,2%	12,8%	25,9%	12,6%	13,5%	26,1%	

Source: RAA 2024 account. Note: *For this purpose, the financial debt figures presented in the companies' balance sheets were considered. ** For this purpose, the sum of debts to suppliers and other payables included in the companies' balance sheets was considered. SATA Air Açores and SATA Gestão de Aeródromos were not considered as EPNR due to their classification in the AP universe by INE, despite their exclusion from the fiscal perimeter in CRAA 2024.

SERAM

The debt of companies in the public business sector of the Autonomous Region of the Azores (ARA) that are not included in the fiscal perimeter decreased in 2024. In 2024, the debt of these entities fell by €96 million, totalling €469 million at the end of that year (Table 5). These entities are part of the universe of regional public companies, in which the RAM has effective control as the majority and/or sole shareholder, in addition to other entities in which the Region has a stake but does not exercise a dominant influence. The size of this component reinforces the need

¹⁸ According to the [TdC's opinion on the 2024 RAA Account](#), the debt stock of entities outside the Region's fiscal perimeter amounted to €989.4 million (€1,016.8 million in 2023), of which almost half (€434.6 million) corresponds to the SATA Group (€454.2 million in 2023). It should be noted that, in addition to debt to suppliers, the TdC only considers part of the other debts payable, which explains the differences in the figures calculated, without, however, affecting the conclusions.

¹⁹ For a detailed analysis of the economic and financial evolution of the SATA Group in the 2023/2024 biennium, as well as the ongoing restructuring process, see Box 3 of [Report No. 9/2025, of the CFP, State-Owned Enterprises and Regional-Owned Enterprises, 2023-2024](#).

for fiscal transparency to ensure the monitoring of the regional public business sector.

Table 5 – Debt of public companies not included in the regional public administration sector (EPNR) – Autonomous Region of Madeira (in M€)

	2023			2024			2023/24
	Dívida financeira*	Dívida não financeira**	Dívida total	Dívida financeira*	Dívida não financeira**	Dívida total	Dívida total
Total EPNR	401,1	163,6	564,7	317,8	150,9	468,7	-96,0
EEM Biotecnologia	0,0	3,3	3,3	0,6	3,0	3,5	0,2
EEM	337,6	89,8	427,4	282,5	88,2	370,7	-56,7
ENEREEM	0,0	0,6	0,6	0,0	0,5	0,5	-0,1
ARM	0,4	47,4	47,8	7,1	46,5	53,6	5,8
GESBA	12,6	8,2	20,8	14,2	7,3	21,5	0,7
HF*	37,8	5,8	43,6	0,0	0,0	0,0	-43,6
CCSG/TIIM*	0,0	3,7	3,7	0,0	0,0	0,0	-3,7
EMACOM	12,7	0,6	13,3	13,5	1,2	14,6	1,3
MPE	0,0	2,0	2,0	0,0	2,6	2,6	0,6
STARTUP MADEIRA	0,0	0,2	0,2	0,0	0,2	0,2	0,0
SDM	0,0	2,0	2,0	0,0	1,5	1,5	-0,5
Total em % do PIBR	5,7%	2,3%	8,1%	4,2%	2,0%	6,2%	

Source: RAM 2024 account. Note: *For this purpose, the financial debt figures presented in the companies' balance sheets were considered. ** For this purpose, the sum of debts to suppliers and other payables included in the companies' balance sheets was considered.

6. OTHER CONTINGENT LIABILITIES

There are other contingent liabilities that either do not fit directly into the classification adopted by Eurostat or are difficult to quantify and report. The former include contracts and protocols signed between subsectors of the general government and between these and entities outside the fiscal perimeter, covering atypical instruments such as letters of comfort, with varying degrees of commitment. They also include potential obligations arising from pending legal proceedings, the disclosure of which is mandatory under the Accounting Standardisation System for Public Administrations (SNC-AP),²⁰ although they may or may not constitute contingent liabilities (**Erro! A origem da referência não foi encontrada.**).

The 2024 amendment to Directive 2011/85 reinforced the importance of disclosing contingent liabilities associated with climate risks and natural disasters, including extreme weather events. The main change is the explicit inclusion of the obligation for Member States to publish, "to the extent possible, information on contingent liabilities related to disasters and climate". This implies that Member States must now also consider and, ideally, quantify this category of contingent liabilities. These may include, among others, disaster response and recovery costs (floods, forest fires, storms, heat waves, etc.), as well as energy transition costs arising from investments in technologies that become obsolete.

In the absence of known systematised data on climate and nature-related contingent liabilities, the following analysis only addresses other liabilities, namely those relating to staff and financial cooperation agreements, guarantees and comfort letters.

Technical and Financial Cooperation Agreements

Technical and financial cooperation agreements (CTF) may be concluded between the State (Central Government) and local authorities, as well as between the Regional Government and the local authorities of each Autonomous Region. The conclusion of such agreements is subject to certain requirements, since the discretionary allocation of funds by the Central Administration is severely limited, both in terms of regulations and in terms of international legal commitments (e.g. the European Charter of Local Self-Government, to which Portugal is a signatory).²¹ In the case of the Central Government, an amount is entered annually in the State Budget as CTF for the municipalities and parishes of the mainland (Table 6). In the case of the two Autonomous Regions, only the Azores disclose the amount of multi-annual charges in their respective accounts (€23.9 million in 2024).

²⁰ At this time, there is no aggregate information on these risks.

²¹ The financial regime of local authorities and intermunicipal entities prevents any form of subsidy or financial contribution to municipalities and parishes by the State, providing for the exceptional possibility of inclusion in the State Budget, within the scope of Technical and Financial Cooperation (CTF), funds earmarked for "(...) financing projects of great relevance to regional and local development, corresponding to policies identified as priorities in that Law, in accordance with the principles of equality, impartiality and justice." An additional exception is the granting of financial aid in situations of public calamity, through the Municipal Emergency Fund (FEM).

Table 6 – Technical and Financial Cooperation between the State and local authorities (in € million)

	2021	2022	2023	2024
Total				
Orçamento*	6,0	5,5	30,4	29,5
Execução	2,7	4,6	30,1	29,5
Municípios				
Orçamento*	5,7	5,3	26,1	29,4
Execução	2,7	4,5	25,8	29,4
Freguesias				
Orçamento*	0,3	0,3	4,3	0,1
Execução	0,0	0,0	4,3	0,1

Source: SIGO. Note: *Corrected allocation.

Other situations

The Autonomous Region of the Azores account reports other liabilities, including letters of comfort and protocols, with public, private and social sector beneficiaries. In 2024, liabilities associated with these instruments totalled €99.5 million. Among these, a guarantee granted by a regional company within the fiscal perimeter to private entities (€1.5 million) stands out. Letters of comfort represent €92.1 million, covering different degrees of commitment and issued to various types of entities, namely SATA Group companies (€70.5 million) and private entities (€17.4 million). According to the TdC's opinion to the CRAA for 2024, only the letter of comfort provided to AVEA²² will be in the nature of a personal guarantee. In addition, a protocol was also signed with the Diocese of Angra do Heroísmo, implying future liabilities for the Region (€5.8 million in 2024 according to the CRAA).²³

Table 19 – Actual liabilities of the RAA. Other situations (in € million)

	2021	2022	2023	2024
Cartas de conforto (1)	60,8	23,0	41,0	92,1
...das quais a EPR	28,4	0,6	4,3	73,7
...das quais à SATA Air Açores*	28,4	0,6	3,0	70,1
...das quais a EPNR	10,5	0,7	16,3	0,6
...das quais a outras empresas do Grupo SATA**	3,8	0,5	16,2	0,5
...das quais a entidades privadas	21,5	21,3	20,0	17,4
... das quais à AVEA	0,4	0,4	0,4	0,4
Protocolo com Diocese de Angra (2)	5,2	5,7	6,1	5,8
Aval prestado pela Ilhas de Valor (3)	3,7	2,8	2,2	1,5
Total = (1) + (2) + (3)	69,7	31,5	49,2	99,5

Source: RAA 2024 account. | Notes: * SATA Air Açores, due to its reclassification within the scope of the AP by INE, was considered as EPR, despite its maintenance outside the fiscal scope in CRAA 2024. ** Except SATA Air Açores (see previous note).

²² Azorean Association for Tourism and Hotel Training, a non-profit institution (ISFL) in which the RAA holds a 91.23% stake (Court of Auditors, 2025).

²³ This protocol establishes the allocation of financial support to contribute to the rehabilitation and reconstruction of churches and pastoral structures affected by the earthquake of 9 July 1998. This support includes the RAA's contribution to the costs arising from the contracting of bank loans, up to a maximum limit of approximately €20 million.

7. ANNEXES

Box 4 – NCP 15 - Provisions, Contingent Liabilities and Contingent Assets

The Accounting Standardisation System for Public Administrations (SNC-AP) constitutes the mandatory conceptual and regulatory framework for financial reporting by public entities in Portugal. Its implementation aims to promote transparency, comparability and accountability in the public sector, harmonising accounting rules with international standards (*International Public Sector Accounting Standards* - IPSAS). Public Accounting Standard (NCP) 15 establishes the essential rules for the identification and recognition of these liabilities, but does not apply to financial instruments (including guarantees) that fall within the scope of NCP 18 - Financial Instruments. On the other hand, NCP 1 - Structure and Content of Financial Statements requires the disclosure of information on provisions, contingent liabilities and contingent assets in explanatory notes, enabling users to better understand their nature, timing and amount.

An important distinction in this standard is the differentiation between provisions and contingent liabilities. Provisions correspond to present obligations for which an outflow of resources is probable (i.e., the probability of occurrence is greater than that of non-occurrence). Thus, a provision is recognised as a liability in the entity's balance sheet, provided that the amount can be reliably estimated. Contingent liabilities, on the other hand, are not recognised as liabilities on the balance sheet because they are: i) possible obligations, the confirmation of which depends on future events that will determine whether or not a present obligation exists; or ii) present obligations that do not meet the criteria for recognition, either because an outflow of resources is not likely to occur or because it is not possible to reliably estimate their value.

Legal proceedings are an example where it may not be evident whether a present obligation exists as a result of a past event. In such cases, the entity should analyse all available evidence. If, based on that evidence, it is probable that a present obligation exists at the reporting date, the entity should recognise a provision (provided that the other criteria are met). If it is probable that no present obligation exists, the entity should only disclose a contingent liability. Thus, liabilities associated with legal proceedings may be recorded as provisions (if the outcome is likely to be unfavourable and the amount can be estimated) or as contingent liabilities (if the outcome is uncertain or unlikely), depending on the degree of certainty at the reporting date.

In this context, it is important to emphasise the need for and importance of effective use of the tools already made available by the SNC-AP. To this end, it is important to ensure that information on contingent liabilities, currently collected under this standard, is properly centralised, made available and disclosed to the relevant entities. The same applies, of course, to information relating to provisions recorded in account 293 of the SNC-AP (ongoing legal proceedings).

Source: Own elaboration based on [Decree-Law No. 192/2015 of 11 September \(consolidated version\)](#), which approves the Accounting Standardisation System for Public Administrations (SNC-AP).

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