

Contextual analysis

- 4.1. Global and European context
- 4.2. The implementation of the SDGs in Portugal



Global and European context

4.1

As 2022 draws to a close, almost three years have passed since the launch of the UN's "Decade of Action" initiative to speed up the fulfillment of the only existing universal roadmap for the world: the 2030 Agenda. The annual evaluation (SDG Index, 2022), disclosed in June 2022, concerning the evolution of the SDGs, shows there is still a long way to go in a time when the Decade of Action keeps moving forward, and we are only 8 years away from the deadline to achieve the 2030 Agenda.

To better understand the progress of the SDGs (which evolves favorably but not at the hoped-for speed), it is fundamental to understand the performance of

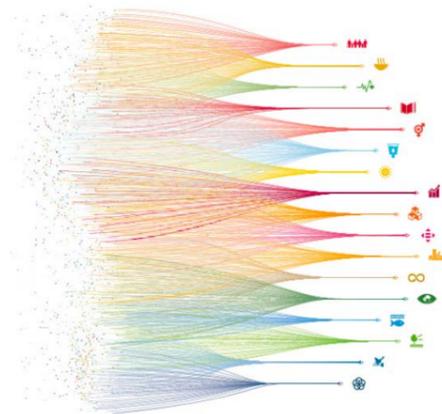
these goals both on a global and local level. With this knowledge, it is possible to understand which evolutions were reached and how we need to map the future. For this purpose, different performance evaluation reports on the SDGs' performance in various parts of the world were studied.

Besides the private sector and the countries (public sector), the roles of the various actors and agents of society in achieving the SDGs are undeniable. As analyzed in Chapter 3, the specific contribution of the corporate world to this Agenda is crucial, as companies are one of the main engines for the evolution, prosperity, and development of society.

However, to further contextualize the role of the private sector, this Chapter will explore the “state of the art” of the progress of the SDGs on a global, European and Portuguese level.

Hence, to get a wide knowledge of the implementation of the SDGs on a global level, several reports were considered at the global level, including reports referring to blocs of countries into which Portugal falls (European Union, OECD, and the group of countries with a higher income), and at a national level.

Todos os anos estas organizações, em parceria com a Universidade de Cambridge, publicam o Relatório do Desenvolvimento Sustentável (SDG Index, 2022), que avalia o desempenho e o progresso dos diferentes países na implementação da Agenda 2030. Este relatório, apesar de não ser uma estatística oficial da ONU, é reputado e utilizado por vários fóruns que estudam os ODS.



4.1.1

Contextual analysis

Global Context

SDG Index Report – 2022

The Sustainable Development Report (SDG Index, 2022) is published annually by the *Sustainable Development Solutions Network* (SDSN), partnered with Bertelsmann Stiftung. The SDSN is a network created under the auspices of the United Nations and aims to promote the implementation of the SDGs through sharing information. It is an alliance that brings together over 1600 institutions focused on generating knowledge in the field of sustainable development, including research centers and universities spread out over 137 countries. Bertelsmann Stiftung is a foundation that promotes a more sustainable society, identifies societal problems and challenges, develops models, and implements solutions with their resolution in view.

Every year these organizations, partnered with the University of Cambridge, publish a Sustainable Development Report (SDG Index, 2022), which evaluates the performance and progress of the different countries in the implementation of the 2030 Agenda. Although it is not an official UN statistic, this report is distinguished and used by various forums that study the SDGs.

The SDG Index aims to be a “snapshot” of the current situation of the 2030 Agenda from a global perspective, also assessing each country's performance and the bloc of countries. The report is based on data from international organizations, such as the World Bank, the World Health Organization, the International Labour Organization, UNICEF (United Nations International Children's Emergency Fund), the FAO (Food and Agriculture Organization of the United Nations), the OECD (Organisation for Economic Cooperation and Development), among others. The report also has other non-official sources of data, such

as research centers and civil society organizations (such as OXFAM or Reporters Without Borders)

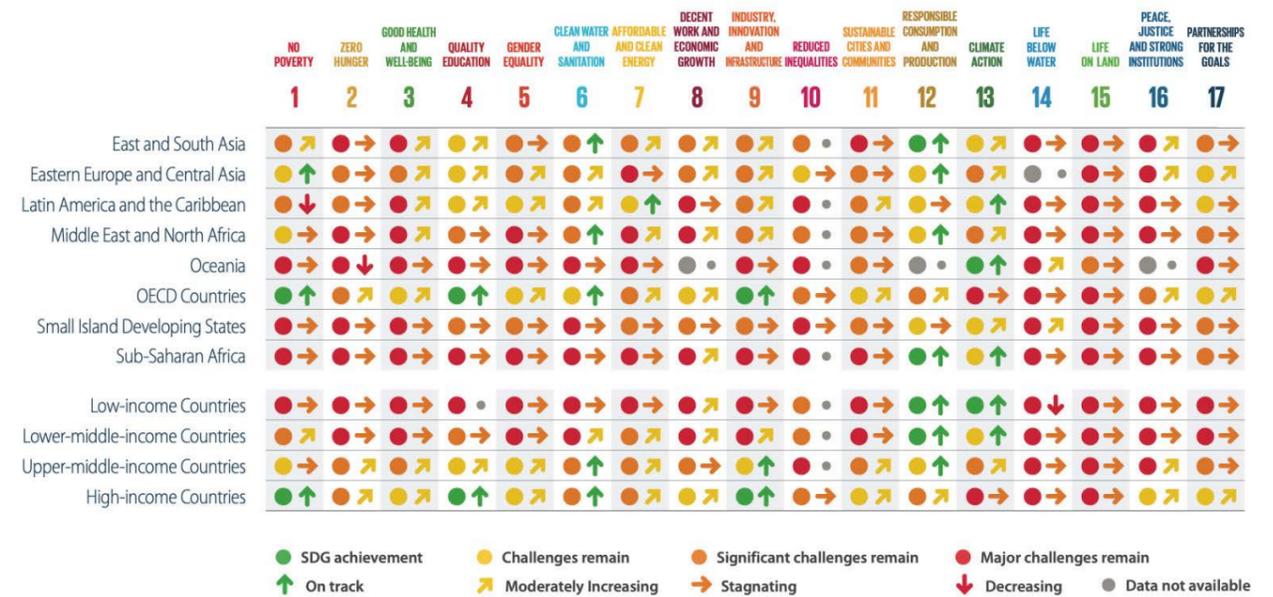
Sustainable Development Report 2022 (SDG Index, 2022) identifies the SDGs that, for each country, represent greater challenges and those in which the countries are better placed, as well as the progress trends for each indicator. The trend indicator shows

that an SDG can, for example, still represent a significant challenge to a country but still show an improvement compared to the previous year.

Performance and trends in blocs fo countries

Figure 2.8

2022 SDG dashboards by region and income group (levels and trends)



Note: Excluding OECD specific indicators. Population-weighted averages. Source: Authors' analysis

Figure 4.1.1 – Source: SDG Index (2022)

Blocs: (i) Low-income Countries, (ii) Lower-middle-income Countries, (iii) Upper-middle-income Countries, and (iv) High-income Countries.

Notes:

The colored mark shows the current state of the SDG. Red means major challenges to be faced, Orange refers to the existence of significant challenges, Yellow identifies situations in which there are still challenges that remain, and Green refers to a goal that has been achieved.

The colored arrow refers to the verified trend in indicator analysis in which Red means a decreasing tendency, orange refers to a tendency towards stagnation, yellow reflects a moderately improving tendency, and green is a positive tendency on track or maintaining SDG achievement.

According to the SDG Index (2022), one can conclude that:

- Lower-income countries show the best performance and trend in SDG#12 and SDG#13, performing negatively in virtually all other SDGs;
- Countries with higher incomes have the best performance on SDG#1, SDG#4, and SDG#9, and the SDGs related to environmental issues are the ones where progress is still a long way away: SDG#13, SDG#14, and SDG#15.

According to the SDG Index (2022), one can conclude that in the year 2022, on a global level:

- For the second year in a row, the world is not making progress on the SDGs, while before the pandemic, that progress was evolving by 0,5% per year;

- The multiple and simultaneous current crises (war and geopolitical tensions, humanitarian tragedies, the pandemic) have diverted focus and priorities from medium and long-term goals, such as the SDGs and the Paris Agreement, – to short-term issues. This way, the establishment of ambitious national and international plans in this Agenda was delayed or prevented. These realities have also reduced the available financing addressed to promote sustainable development. So, there is a stagnation in the evolution of the SDGs starting from 2019, as seen in Figure 4.1.2.

SDGs' Progress since 2010

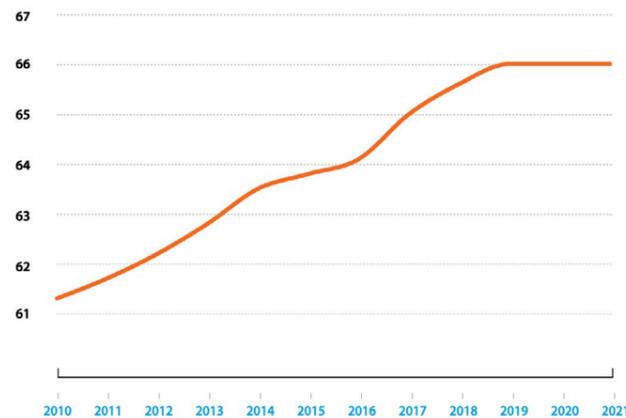


Figure 4.1.2-SDGs' Progress since 2010 Source: SDG Index (2022)

SDG Index Score over time, world average (2010-2011)

- The stagnation the world has experienced since 2019 is mostly due to a decline in the progress of socioeconomic SDGs – SDG#1 (No Poverty) and SDG#8 (Decent Work and Economic Growth) – which were especially affected by multiple crises seen throughout this period. The number of people facing extreme poverty has significantly grown since 2010, namely in countries with lower incomes. Small developing islands are particularly vulnerable to international crises, partly due to their reliance on the international trade system and tourism.
- Other SDGs were also affected, including SDG#2 (Zero Hunger), SDG#3 (Good Health and Well-Being), and SDG#4 (Quality Education), while the improvements seen in environmental SDGs during the pandemic lockdown were quickly neutralized as soon as the restrictions were lifted (according to a report of the Intergovernmental Panel on Climate Change). The post-pandemic recovery

has been unequal and remains very uncertain, as richer countries have supported the costs of emergency and recovery measures through an increase in debt, which can imply a bigger bill for future generations.

- The impacts of the war in Ukraine on access and price of food are additionally amplified by global warming and the drought in southern Asia and other regions of the globe. The war is expected to significantly contribute to slowing economic growth in 2022 and subsequent years. The disruption in food supply chains and the rise in the energy price are already having a global impact, further weakening the populations already in a very fragile situation.
- Furthermore, due to the temporal hiatus in data reporting, the SDG Index (2022) does not yet reflect the impact of the pandemic and conflicts, such as the war in Ukraine, on the SDGs. Such circumstances may have long-term impacts on development, which can take years to be entirely reflected in international statistics, wherefore the following of the SDGs' progress in the years to come should take this into account.
- Despite the current context, the SDGs should remain humanity's roadmap to achieving sustainable development by 2030.
- A plan to finance the SDGs is needed, considering they translate into an agenda of infrastructure and human capital investment. This plan is especially relevant if we consider that there is no access to capital markets on acceptable terms in the poorest half of the world.
- The efforts and commitments of SDG promotion vary significantly between countries, including among G20 countries. So, adopting goals, strategies, and ambitious and consistent plans on a national level is crucial to turn the SDGs into an agenda of action..

The figure shows great differences between G20 countries, some of which are quite committed to the SDGs but still show a relatively low level on the SDG Index Score – countries such as Mexico, Argentina, and Indonesia. In other cases, the commitment level is low, yet the countries show a relatively high SDG Index Score – countries such as the United States of America and Australia. Among the G20 countries, Germany is the country most committed to the SDGs and the best ranked on the SDG Index; India is, on the contrary, on the opposite extreme, being the G20 country with the lowest figures in both criteria, having had a low performance on the SDG Index Score as well as a low level in the SDG commitment.

Countries such as Finland, Denmark, and Sweden are more advanced, and some other countries - such as Benin and Nigeria – , despite their commitment to the SDGs, still show low results on the SDG Index Score.

Figure 4.1.3 allows us to understand the complete and relative positioning of the various countries, differentiating them according to whether they are part of the G20. The horizontal axis measures the governments' commitment to the SDGs, whereas the vertical axis shows the countries' SDG Index Score.

Countries' contribution to the SDGs

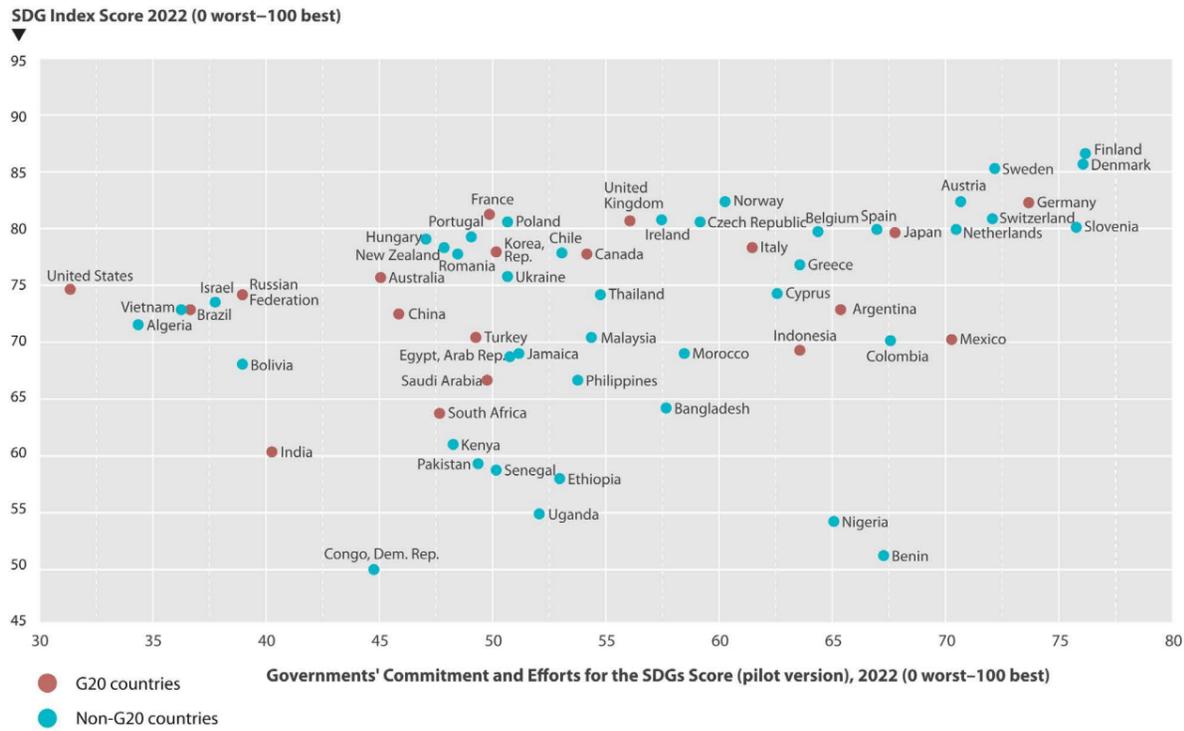


Figure 4.1.3 – Source: SDG Index (2022)

Figure 4.1.4 below shows the SDG ranking and score for the years 2021 and 2022, according to the SDG Index (2021) and the SDG Index (2022), allowing for an assessment of each country's performance.

Countries' ranking and score in 2021



Rank	Country	Score	Rank	Country	Score
1	Finland	85.9	43	Thailand	74.2
2	Sweden	85.6	44	Kyrgyz Republic	74.0
3	Denmark	84.9	45	Bulgaria	73.8
4	Germany	82.5	46	Russian Federation	73.8
5	Belgium	82.2	47	Bosnia and Herzegovina	73.7
6	Austria	82.1	48	Moldova	73.7
7	Norway	82.0	49	Cuba	73.7
8	France	81.7	50	Costa Rica	73.6
9	Slovenia	81.6	51	Vietnam	72.8
10	Estonia	81.6	52	Argentina	72.8
11	Netherlands	81.6	53	Ecuador	72.5
12	Czech Republic	81.4	54	North Macedonia	72.5
13	Ireland	81.0	55	Azerbaijan	72.4
14	Croatia	80.4	56	Georgia	72.2
15	Poland	80.2	57	China	72.1
16	Switzerland	80.1	58	Armenia	71.8
17	United Kingdom	80.0	59	Kazakhstan	71.6
18	Japan	79.8	60	Tunisia	71.4
19	Slovak Republic	79.6	61	Brazil	71.3
20	Spain	79.5	62	Fiji	71.2
21	Canada	79.2	63	Peru	71.1
22	Latvia	79.2	64	Albania	71.0
23	New Zealand	79.1	65	Malaysia	70.9
24	Belarus	78.8	66	Algeria	70.9
25	Hungary	78.8	67	Dominican Republic	70.8
26	Italy	78.8	68	Colombia	70.6
27	Portugal	78.6	69	Morocco	70.5
28	Korea, Rep.	78.6	70	Turkey	70.4
29	Iceland	78.2	71	United Arab Emirates	70.2
30	Chile	77.1	72	Jordan	70.1
31	Lithuania	76.7	73	Oman	70.1
32	United States	76.0	74	Iran, Islamic Rep.	70.0
33	Malta	75.7	75	Bhutan	70.0
34	Serbia	75.6	76	Singapore	69.9
35	Australia	75.6	77	Uzbekistan	69.8
36	Ukraine	75.5	78	Tajikistan	69.8
37	Greece	75.4	79	Maldives	69.3
38	Israel	75.0	80	Mexico	69.1
39	Romania	75.0	81	Jamaica	69.0
40	Cyprus	74.9	82	Egypt, Arab Rep.	68.6
41	Uruguay	74.5	83	Barbados	68.4
42	Luxembourg	74.2	84	Brunei Darussalam	68.3

Countries' ranking and score in 2022

Rank	Country	Score	Rank	Country	Score	Rank	Country	Score	Rank	Country	Score			
85	Montenegro	68.2	126	Senegal	58.4		1	Finland	86.5		42	Bulgaria	74.3	
86	Cabo Verde	68.1	127	Syrian Arab Republic	58.0		2	Denmark	85.6		43	Cyprus	74.2	
87	Sri Lanka	68.1	128	Guyana	57.9			3	Sweden		85.2	44	Thailand	74.1
88	Panama	68.0	129	Pakistan	57.7			4	Norway		82.3	45	Russian Federation	74.1
89	El Salvador	67.9	130	Rwanda	57.6			5	Austria		82.3	46	Moldova	73.9
90	Bolivia	67.6	131	Cote d'Ivoire	57.6			6	Germany		82.2	47	Costa Rica	73.8
91	Suriname	67.0	132	Tanzania	56.4			7	France		81.2	48	Kyrgyz Republic	73.7
92	Paraguay	66.9	133	Mauritania	55.5			8	Switzerland		80.8	49	Israel	73.5
93	Lebanon	66.8	134	Cameroon	55.3			9	Ireland		80.7	50	Azerbaijan	73.5
94	Qatar	66.7	135	Lesotho	54.6			10	Estonia		80.6	51	Georgia	73.4
95	Mauritius	66.7	136	Ethiopia	54.5		11	United Kingdom	80.6	52	Fiji	72.9		
96	Nepal	66.5	137	Afghanistan	53.9		12	Poland	80.5	53	Brazil	72.8		
97	Indonesia	66.3	138	Djibouti	53.8		13	Czech Republic	80.5	54	Argentina	72.8		
98	Saudi Arabia	66.3	139	Burkina Faso	53.5		14	Latvia	80.3	55	Vietnam	72.8		
99	Nicaragua	66.3	140	Uganda	53.5		15	Slovenia	80.0	56	China	72.4		
100	Bahrain	66.1	141	Zambia	53.4		16	Spain	79.9	57	North Macedonia	72.3		
101	Myanmar	64.9	142	Eswatini	53.3		17	Netherlands	79.9	58	Peru	71.9		
102	Cambodia	64.5	143	Togo	53.2		18	Belgium	79.7	59	Bosnia and Herzegovina	71.7		
103	Philippines	64.5	144	Congo, Rep.	52.9		19	Japan	79.6	60	Singapore	71.7		
104	Belize	64.4	145	Yemen, Rep.	52.9		20	Portugal	79.2	61	Albania	71.6		
105	Iraq	63.8	146	Mali	52.2		21	Hungary	79.0	62	Suriname	71.6		
106	Mongolia	63.8	147	Burundi	51.8		22	Iceland	78.9	63	Ecuador	71.5		
107	South Africa	63.7	148	Sierra Leone	51.7		23	Croatia	78.8	64	Algeria	71.5		
108	Trinidad and Tobago	63.5	149	Malawi	51.4		24	Slovak Republic	78.7	65	Kazakhstan	71.1		
109	Bangladesh	63.5	150	Haiti	51.4		25	Italy	78.3	66	Armenia	71.1		
110	Lao PDR	63.0	151	Papua New Guinea	51.3		26	New Zealand	78.3	67	Maldives	71.0		
111	Gabon	62.8	152	Mozambique	51.1		27	Korea, Rep.	77.9	68	Dominican Republic	70.8		
112	Honduras	62.8	153	Guinea	51.0		28	Chile	77.8	69	Tunisia	70.7		
113	Kuwait	62.5	154	Angola	50.3		29	Canada	77.7	70	Bhutan	70.5		
114	Ghana	62.5	155	Benin	49.9		30	Romania	77.7	71	Turkey	70.4		
115	Botswana	61.9	156	Niger	49.5		31	Uruguay	77.0	72	Malaysia	70.4		
116	Namibia	61.8	157	Sudan	49.5		32	Greece	76.8	73	Barbados	70.3		
117	Turkmenistan	61.1	158	Congo, Dem. Rep.	49.3		33	Malta	76.8	74	Mexico	70.2		
118	Kenya	60.6	159	Madagascar	49.0		34	Belarus	76.0	75	Colombia	70.1		
119	Vanuatu	60.5	160	Nigeria	48.9		35	Serbia	75.9	76	Sri Lanka	70.0		
120	India	60.1	161	Liberia	48.6		36	Luxembourg	75.7	77	Uzbekistan	69.9		
121	Guatemala	59.9	162	Somalia	45.6		37	Ukraine	75.7	78	Tajikistan	69.7		
122	Venezuela, RB	59.3	163	Chad	40.9		38	Australia	75.6	79	El Salvador	69.6		
123	Gambia, The	59.3	164	South Sudan	38.9	39	Lithuania	75.4	80	Jordan	69.4			
124	Sao Tome and Principe	58.8	165	Central African Republic	38.3	40	Cuba	74.7	81	Oman	69.2			
125	Zimbabwe	58.7				41	United States	74.6	82	Indonesia	69.2			

SDGS' OBSERVATORY IN PORTUGUESE COMPANIES

SDGS' OBSERVATORY IN PORTUGUESE COMPANIES

Rank	Country	Score	Rank	Country	Score
83	Jamaica	69.0	124	Rwanda	59.4
84	Morocco	69.0	125	Pakistan	59.3
85	United Arab Emirates	68.8	126	Senegal	58.7
86	Montenegro	68.8	127	Cote d'Ivoire	58.4
87	Egypt, Arab Rep.	68.7	128	Ethiopia	58.0
88	Iran, Islamic Rep.	68.6	129	Syrian Arab Republic	57.4
89	Mauritius	68.4	130	Tanzania	57.4
90	Bolivia	68.0	131	Zimbabwe	56.8
91	Paraguay	67.4	132	Mauritania	55.8
92	Nicaragua	67.1	133	Togo	55.6
93	Brunei Darussalam	67.1	134	Cameroon	55.5
94	Qatar	66.8	135	Lesotho	55.1
95	Philippines	66.6	136	Uganda	54.9
96	Saudi Arabia	66.6	137	Eswatini	54.6
97	Lebanon	66.3	138	Burkina Faso	54.5
98	Nepal	66.2	139	Nigeria	54.2
99	Turkmenistan	66.1	140	Zambia	54.2
100	Belize	65.7	141	Burundi	54.1
101	Kuwait	64.5	142	Mali	54.1
102	Bahrain	64.3	143	Mozambique	53.6
103	Myanmar	64.3	144	Papua New Guinea	53.6
104	Bangladesh	64.2	145	Malawi	53.3
105	Panama	64.0	146	Sierra Leone	53.0
106	Guyana	63.9	147	Afghanistan	52.5
107	Cambodia	63.8	148	Congo, Rep.	52.3
108	South Africa	63.7	149	Niger	52.2
109	Mongolia	63.5	150	Yemen, Rep.	52.1
110	Ghana	63.4	151	Haiti	51.9
111	Lao PDR	63.4	152	Guinea	51.3
112	Honduras	63.1	153	Benin	51.2
113	Gabon	62.8	154	Angola	50.9
114	Namibia	62.7	155	Djibouti	50.3
115	Iraq	62.3	156	Madagascar	50.1
116	Botswana	61.4	157	Congo, Dem. Rep.	50.0
117	Guatemala	61.0	158	Liberia	49.9
118	Kenya	61.0	159	Sudan	49.6
119	Trinidad and Tobago	60.4	160	Somalia	45.6
120	Venezuela, RB	60.3	161	Chad	41.3
121	India	60.3	162	Central African Republic	39.3
122	Gambia, The	60.2	163	South Sudan	39.0
123	Sao Tome and Principe	59.4			



Additional information to figure 4.1.4

- The SDG Index (2022) is led by 3 Nordic countries – Finland, Sweden, and Denmark – the 10 countries with the best performance in European, and 8 of them are Member States of the European Union. It should be noted that 30 countries were excluded from the SDG Index (2022) for insufficient data, such as Cape Verde and East Timor.
- Developed countries generate collateral effects, or negative (or positive) externalities (spillovers) in developing countries, at a socioeconomic and environmental level, namely through consumption, trade, and (un) sustainable supply chains
 - An example is the European Union, which called for a “zero tolerance” policy concerning child labor, proposing the use of trade as a means to export European values throughout the world while also adopting various instruments and legislation to address the issue of negative spillovers, namely in the context of the European Green Deal, which includes proposals with a more direct positive impact concerning food and sustainable agriculture (SDG#2) and income of primary sector producers (SDG#8), renewable energies (SDG#7), reducing food waste (SDG#12), climate change (SDG#13), and biodiversity (SDG#14 and SDG#15).

- 4 major priority areas in addressing international spillovers of rich countries are identified: (1) SDG financing: raise international funding for development and climate matters; (2) boost technical cooperation and SDG diplomacy; (3) establish national targets and instruments to face the impacts of other countries’ consumption; (4) accountability, data and statistics: fortify monitorization and information systems on a national, international, industrial, and corporate level, covering the entire supply chain, making them an integral part of SDG reports.
- The pandemic has prompted innovative solutions concerning information, data, and technology systems, and in the building of new forms of partnership, namely between the public and private sectors, whose effects should be promoted and amplified for the promotion of the impact of the implementation of the SDGs.

After summing up the main conclusions of the SDG Index (2022), it is also important to consider the current situation presented in that same report concerning the OECD member countries as a whole (in which Portugal is included). Figure 4.1.5 illustrates the performance of OECD countries :



Figure 4.1.4 Source: SDG Index (2021) and SDG Index (2022)

Figure 4.1.5 – Source: SDG Index (2022)

According to the SDG Index (2022), one can conclude that:

- The OECD shows a better performance in SDG#1, SDG#4, and SDG#9.
- The SDGs where there is a longer way to go is SDG#13, SDG#14, and SDG#15.

OECD countries are closer to achieving the SDG targets when compared to other groups of countries; however, none of them is on the way to achieving all 17 SDGs.

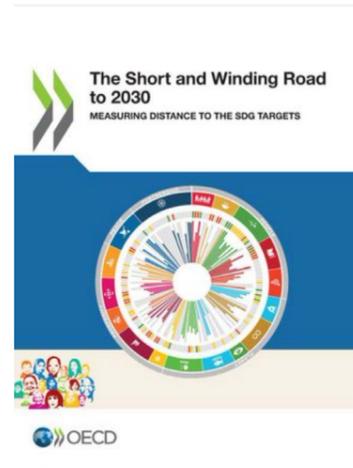
The performance of the OECD is more favorable in SDGs related to socioeconomic results and primary access to services and infrastructures: SDG#1, SDG#3, SDG#6, and SDG#7. However, there are still flaws in the quality of health and education in some population groups (SDG#3 and SDG#4), a bigger effort being equally necessary to reduce inequalities which are growing in some OECD member countries – particularly wage inequality has to be reduced (SDG#5)

Bigger efforts are needed in OECD countries to speed up the progress in the SDGs related to climate change and biodiversity – SDG#12, SDG#13, SDG#14, and SDG#15. The SDG Index (2022) underlines that, historically, the OECD countries (together with higher-income countries) are largely responsible for greenhouse gas emissions and bear a special responsibility to take up measures in this respect at a national and international level. On the other hand, the negative spillovers concerning socioeconomic and environmental matters provoked by OECD countries are significant.

The OECD's performance is moderate regarding SDG#16, partly due to the high rate of homicides in some of the biggest economies (such as the United States of America) but also due to persisting problems concerning access to legal services and justice at accessible fees.

Furthermore, reports made by the OECD in the context of their [Action Plan on SDGs](#), whose first publication dates back to 2016, were also studied. In 2022, the

OECD published its fourth report, which evaluates the member countries' performance concerning the 2030 Agenda – [The Short and Winding Road to 2030 – Measuring Distance to the SDG Targets](#) – OECD 2022:



This report allows the following conclusions:

- It is necessary to intensify policies to meet the 2030 Agenda.

– Until now, the OECD as a whole has reached 10 of the 112 targets with respect to which it is possible to assess performance and is close to reaching another 18 (mostly targets related to the goal of assuring basic needs and the implementation of policies within SDG#1 to SDG#4, SDG#6, SDG#7 and SDG#17).

– As regards SDG#5, SDG#10, and SDG#13, none of the targets is close to being reached, and yet the trend shows that, in some SDGs, the average of OECD countries is making some progress in reaching them – this is the case with SDG#5, SDG#6, SDG#7, SDG#13, and SDG#14.

There is, however, still a lot to be done. 21 targets still seem to be very far from being reached, and none show a tendency to improve.

Namely, there are many improvements to be made concerning equality targets related to the SDG motto of “Leave No One Behind” (SDG#10).

– As the 2030 Agenda is global, it is OECD countries' responsibility to commit to fulfilling the SDGs beyond their borders (SDG#17).

- OECD countries should further promote inclusion:
 - 1 in every 8 inhabitants of the OECD is poor, and during the last few decades, progress has not been positive (SDG#1).

– The most vulnerable groups – such as women, young adults, and immigrants – face bigger challenges than the rest of the population (SDG#5 and SDG#10).

– Furthermore, a lot of harmful behavior, such as tobacco consumption and malnourishment, appear to be more frequent in more disadvantaged groups from a socioeconomic standpoint, given that disparities in education tend to exacerbate these inequalities (SDG#2, SDG#3, SDG#4, and SDG#5).

- Although the pandemic has underlined the importance of trust in democracies (SDG#16), trust in institutions has come to decrease throughout the years in developed countries, and one can see that OECD countries have not evolved enough in crucial matters to ensure this trust such as access, accountability, transparency, and diversity in public institutions.

- Despite some alleviation during the pandemic due to the decrease in economic activity, environmental pressures are rising, as OECD countries tend to relocate productive polluting activities from their territory and intensively consume resources. Economic growth depends strongly on the intense use of material resources, and many valuable materials continue to be disposed of as waste (SDG#6, SDG#11, and SDG#12)

- Concerning climate change (SDG#13), although there has been progress in the dissociation

between greenhouse gas emissions and population growth and the GDP, emissions continue to rise in some countries, despite the assumed commitment made by G20 countries of eliminating fossil fuel waste subsidies and the consumption of these sources of energy (SDG#7).

- Regarding biodiversity (SDG#14 and SDG#15), although some positive developments related to the protection of ecosystems are noted, threats to marine and terrestrial biodiversity keep on growing, as none of the Aichi targets have been reached by any of the OECD countries (targets that should have been reached in 2020).¹

- Lastly, the OECD's report highlights the fact that there are many data gaps which, besides possibly leading to biased conclusions, could undermine the effective capacity to track progress toward fulfilling the 2030 Agenda.

¹ The so-called “Aichi Biodiversity Targets” consists of 20 targets to be reached by 2020, which were approved in 2010 by the Biodiversity Strategy for the period between 2011 and 2020, reached at the 10th Conference of the Parties of the Convention of Biological Diversity (COP-10), in Nagoya, Aichi Province, Japan.

European Context

As has been seen, according to the SDG Index (2022) ranking of countries, the 10 countries with the best performance are all European, and 8 of them are Member States of the European Union, with better performance in all three aspects – economic, social, and environmental aspects of sustainable development. Nevertheless, Europe still faces great challenges, mostly related to SDGs concerning sustainable production and consumption, climate, and biodiversity (SDG#12, SDG#13, SDG#14, and SDG#15) and concerning Europe's international negative spillovers.



situation exposed fragilities concerning public health systems and serious inequality between countries with lower income and higher income. In the latter's case, the population had greater and faster access to vaccination.

In December 2021, the *Europe Sustainable Development Report 2021* (ESDR, 2021) was published, which reports on the performance and progress of European countries² in implementing the 2030 Agenda. Similar to the SDG Index (2022) report, this one identifies the SDGs that represent greater challenges for each country and those in which the countries are better placed, as well as the progress trends for each indicator.

In Europe and the European Union, a stagnation in the progress of the 2030 Agenda has been seen, aligned with global circumstances (see Figures 4.1.6 and 4.1.7), the ESDR (2021) stressing the weight of the pandemic, which reduced life expectancy (SDG#3) and increased poverty (SDG#1). This

² The ESDR (2021) covers the 27 EU Member States, the 4 countries of the European Free Trade Association (Iceland, Liechtenstein, Norway, and Switzerland), the United Kingdom, Bosnia and Herzegovina, and also, for the first time, countries applying for EU membership (Albania, Montenegro, Republic of North Macedonia, Serbia, and Türkiye).

ESDR Index – progress in European countries between 2015 and 2020

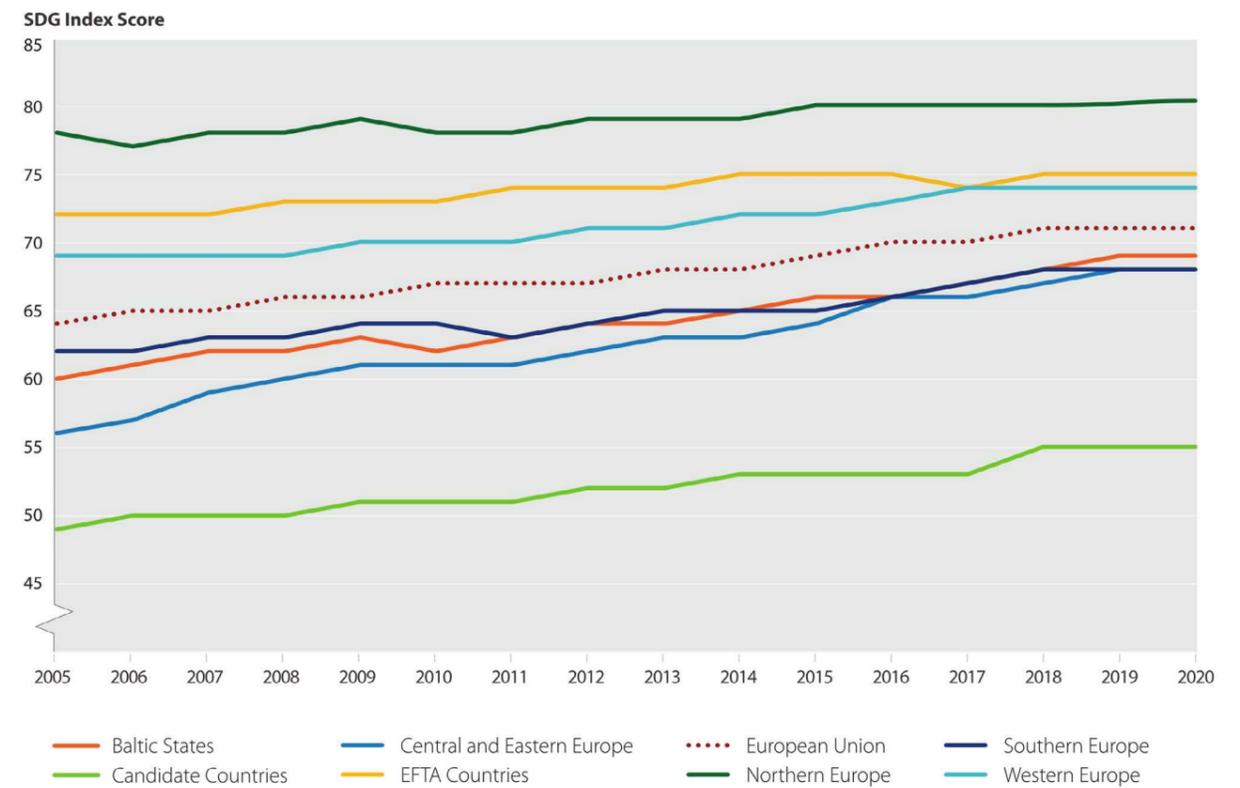


Figure 4.1.6. Source: ESDR (2021)

ESDR Index – progress in the European Union between 2015 and 2020

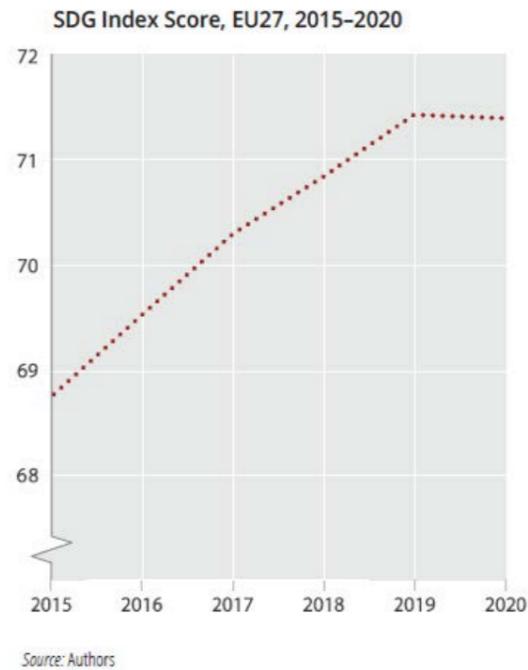


Figure 4.1.7 Source: ESDR (2021)

It is also emphasized in the ESDR (2021) that, even in the context of the pandemic and geopolitical tensions, the 2030 Agenda remains the only acting framework at the economic, social, and environmental levels adopted by all members of the United Nations, and should continue to be the guide for Europe.

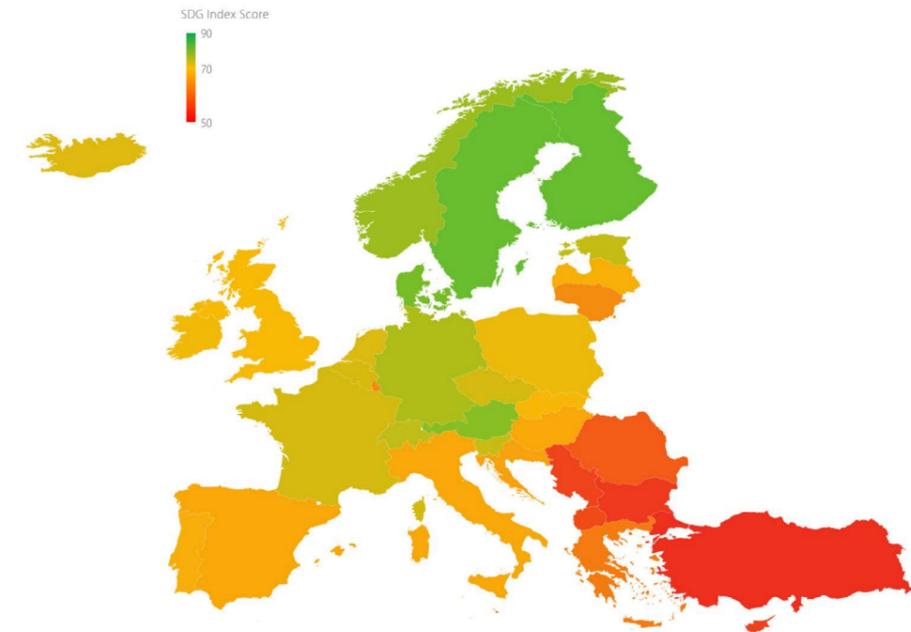
The report concludes that Europe is the global leader of the SDGs despite the negative spillovers it generates economically, socially, and environmentally in other parts of the globe. As has been seen in Figure 4.1.1

(above), according to the SDG Index (2022), excluding Japan (ranked in 19th place), the 20 countries with the best performance on a global level are European, and 16 of them are Member States of the EU.

The ranking of the European countries according to the ESDR (2021) is presented in Figure 4.1.8 below.

European countries' ranking on the ESDR (2021)

Figure 1.7 | 2021 SDG Index Scores and Rankings by country and subregions



SDG Index Rank	Country	SDG Index Score	SDG Index Rank	Country	SDG Index Score	Subregion	Score
1	Finland	80.8	18	Slovak Republic	70.0	European Union	71.4
2	Sweden	80.6	19	Latvia	69.3	Northern Europe	80.6
3	Denmark	79.3	20	Portugal	69.1	EFTA Countries	75.1
4	Austria	78.0	21	Hungary	68.5	Western Europe	74.0
5	Norway	76.7	22	Spain	68.5	Baltic States	69.3
6	Germany	75.3	23	Italy	68.5	Southern Europe	68.3
7	Switzerland	74.0	24	Croatia	68.0	Central and Eastern Europe	68.0
8	Estonia	73.7	25	Lithuania	66.1	Candidate Countries	55.3
9	Slovenia	73.5	26	Luxembourg	65.8	Albania	NA
10	France	72.7	27	Greece	64.8	Bosnia and Herzegovina	NA
11	Czech Republic	72.6	28	Malta	63.6	Liechtenstein	NA
12	Belgium	72.5	29	Romania	61.6	Montenegro	NA
13	Netherlands	72.1	30	North Macedonia	59.9		
14	Iceland	72.1	31	Serbia	59.3		
15	Poland	71.0	32	Cyprus	58.6		
16	Ireland	70.6	33	Bulgaria	57.6		
17	United Kingdom	70.2	34	Turkey	55.7		

Figure 4.1.8 – Source: ESDR (2021)

The ESDR (2021) presents the analysis concerning the various European countries, reporting on their performance and trends concerning the 17 SDGs, with reference to different groups of European countries (EU countries, Baltic countries, EU membership

candidates³, central and eastern Europe⁴, EFTA countries⁵, Northern Europe⁶, Southern Europe⁷, Western Europe⁸ - according to Figure 4.1.9 (Portugal fitting in the EU group, as well as in the Southern Europe group).

Position and progress of European country groups in the 17 SDGs in 2021



Figure 4.1.9 – Source ESDR (2021)

Specifically, concerning the European Union, the ESDR (2021) concludes that it should remain in the lead for the implementation of the SDGs, at an internal as well as international level, on the path to and beyond the (UN High-level Political Forum on Sustainable Development – HLPF), which will take place in September 2023. With its plans for recovery and resilience and all its financial instruments at its disposal, the EU has the conditions to take on an important role in achieving the SDGs in this decade.

- SDG#2, SDG#13, and SDG#14 are the ones in which the EU's performance is at its worst (the red marks indicate there are still major challenges to face, and the orange arrow that the trend appears to be directing toward stagnation), followed by SDG#15 in which, even though there are great challenges (red mark), the trend is moderately positive (yellow arrow).

By analyzing Figure 4.1.9, and still specifically concerning the European Union, one can conclude that:

- In the EU, no SDGs have been reached (no green dot).
- SDG#6, SDG#9, and SDG#11 are the ones in which the European Union ranks best—the yellow marks signal that there are still challenges to face with these SDGs, but the trend seems to be of improvement (green arrows).

The biggest challenges identified for Europe concern areas such as sustainable food and agriculture (SDG#2), environmental sustainability and the use of resources (SDG#12), climate change (SDG#13), and biodiversity (SDG#14 and SDG#15). They also concern with the reduction of inequalities between population groups (SDG#10) and the reinforcement of the convergence of the standard of living between the various countries and European regions (SDG#17), in line with the “Leave No One Behind” principle.⁹

⁴ Bulgaria, Czech Republic, Croatia, Hungary, Poland, Romania, Slovakia, Slovenia.
⁵ Iceland, Liechtenstein, Norway, and Switzerland.
⁶ Denmark, Finland, and Sweden.
⁷ Cyprus, Greece, Italy, Malta, Portugal, and Spain.
⁸ Austria, Belgium, France, Germany, Ireland, Luxembourg, and The Netherlands.

Specifically concerning SDG#13, as one can see in Figure 4.1.10, the European continent's performance is very aligned with the performance and trend displayed by other country blocs – if we compare

the continent's performance with the performance of other groups in which European countries also fall into, as is the case of the OECD and the group of countries with the highest income:

Positioning and progress of regions and groups of countries in 2022 (SDG#13 highlighted)

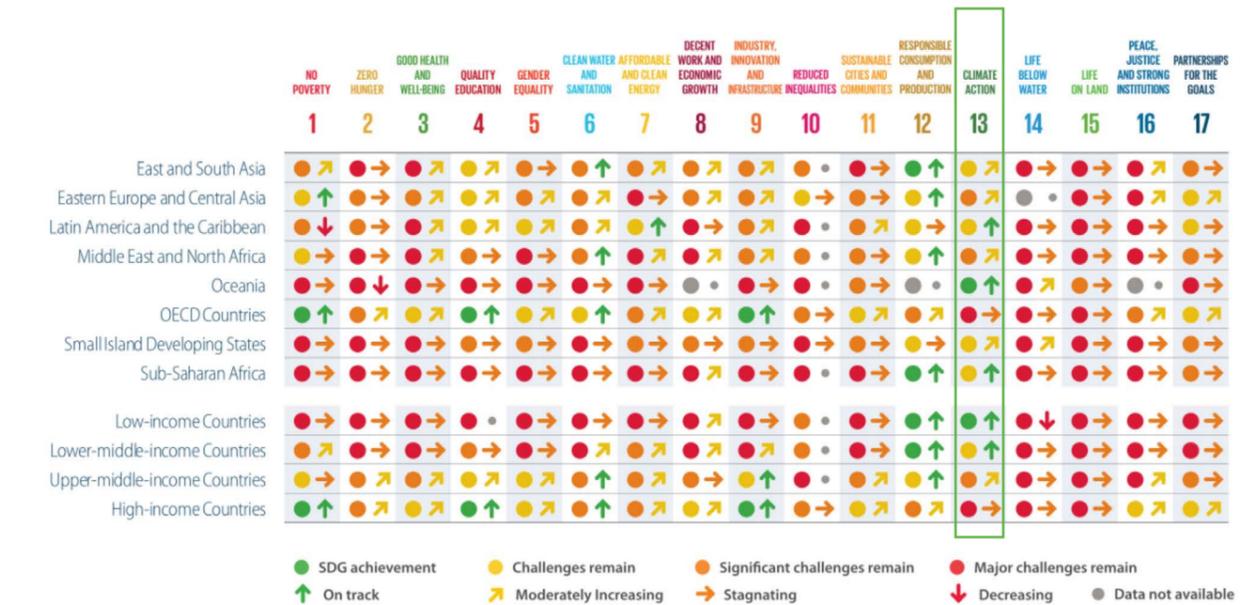


Figure 4.1.10 – Source: SDG Index (2022)

However, it should be noted that Europe was the first continent to assume the commitment to achieving climate neutrality in 2050 and has adopted policies for achieving that goal, such as the European Green Deal of 2019, which included the European climate

law (of 2021) and the Fit for 55 packages, in order to assure that Europe achieves the goal of reducing at least 55% of its net emissions of greenhouse gases by 2030 (concerning the 1990 emissions).

⁹ This principle translates into the index (“Leave No One Behind”, or LNOB), which has in mind capturing the average values, but also their distribution among the population, with enough particulars detail and breakdowns that would allow not only to identify who suffers multiple disadvantages in society, but also inform on policies that reflect their needs. The LNOB index thus focuses on existing inequalities amid the population of each country, basing itself on 31 indicators and anchoring on 4 aspects: (1) extreme poverty and material deprivation, (2) wage inequality and distribution of wealth among the various groups of the population, (3) gender inequality, and (4) unequal access to services (such as food, health, education, etc.) – ESDR, pp. vii, 8 and 9.

Therefore, Europe has become a leader in the international landscape in terms of climate change. However, not only are the challenges of the various Member States at this level huge, but also Europe has a long way to go regarding aligning its internal policies with its commitment to external relations and cooperation. CO2 emissions have, on average, been reduced in the EU since 2015, but emissions outside of the EU have grown in 2018 to please the European consumer market, according to the ESDR (2021). In this regard, it is relevant to mention that in 2022 Sweden (EU Member State and 3rd country with the best performance on the SDG Index 2022) was the first country to announce its intention of establishing a national target of reducing CO2 emissions resulting from their imports.

The ESDR (2021) also points to SDG#9 being the one whose performance range is wider among European countries, with many of them having a very positive performance but also many with very weak performance. For example, Austria, Belgium, Denmark, Finland, France, Germany, Iceland, The Netherlands, Norway, Sweden, Switzerland, and the United Kingdom show a very positive performance (with an indication that the SDG has been achieved in these countries, and that a positive trend being maintained). In contrast, countries such as Albania, Bosnia and Herzegovina, Bulgaria, Cyprus, Latvia, Montenegro, Republic of North Macedonia, Romania, Serbia, and Türkiye show a negative performance and have a long way to fulfill SDG#9.

On the other hand, many of its challenges arise directly from the fact that Europe has important negative spillovers in other geographies in international

trade. For example, in the case of deforestation, land-use change, and loss of biodiversity caused by international trade (associated with goods such as wood, palm oil, coffee, rubber, and soy, among others), or the number of fatal and non-fatal accidents linked to European importation of textile products.

Progress must be verified in the various SDGs accompanied by ambitious, solidary, and social policies, promoting convergence in Europe, among its various countries and regions (in which SDG#17 takes on a more central role) and "Leaving No One Behind," namely the more vulnerable groups – such as the poorest, women and migrants (SDG#10), reflecting in matters such as health and well-being (SDG#3), education (SDG#4) and gender equality (SDG#5). These have been particularly affected by the pandemic's socioeconomic impacts and health matters, in Europe and throughout the globe, which is not fully reflected in the European and global performance reports.

It should be noted that the Member States that stand out the most with the best performance on the ESDR (2021) (Finland, followed by Sweden and Denmark) are also the ones that stand out the most on the "Leave No One Behind" index (Figure 4.1.11), which could indicate that sustainable development and the decrease of inequalities are goals that strengthen each other mutually.

Positioning relative to European countries in 2021, crossing the ESDR (2021) Index and the countries' ranking on the "Leave No One Behind" index



Note: The 'leave no one behind' (LNOB) Index measures inequalities across population groups in each country. It focuses on four dimensions: (1) Extreme Poverty and Material Deprivation; (2) Income inequality; (3) Gender inequality; (4) Access to and Quality of Services for all. It is based on 31 indicators. The graph shows the rank correlation between the LNOB Index and SDG Index (r=0.88). See methodology section for more details.

Source: Authors

Figure 4.1.11 – Source: ESDR (2021)

A further conclusion from the ESDR (2021) is that it remains difficult to distinguish, among all the European policies and roadmaps, the European priorities in terms of the SDGs. For that to happen, it would be necessary for the European Union to develop an integrated and comprehensive approach to implementing the 2030 Agenda and clearly communicate it to all countries.

Concerning the partnerships for the implementation of the SDGs (SDG#17), the ESDR (2021) highlights that, even though the EU and its Member States are the world's largest funders of official development assistance and invest in conflict prevention and peacekeeping (SDG#16), many EU countries contribute negatively to other countries and regions' ability to reach the SDGs through negative spillovers

associated with international financial flows and unsustainable value chains (with impacts on the various SDGs, such as SDG#8 and SDG#12). There are also many negative externalities of the EU regarding the environmental SDGs (such as SDG#6, SDG#13, SDG#14, and SDG#15). It is, therefore, crucial that the EU measures and monitors the spillovers (both positive and negative) that it causes and promotes and implements improvements in this respect, assuring the coherence of its policy for development (still under the auspices of SDG#17).

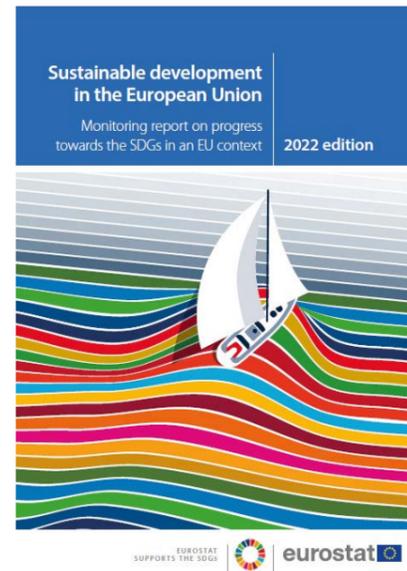
The ESDR (2021) suggests that the approach should focus on three big areas: (i) internal priorities, (ii) diplomacy and cooperation for development, and (iii) negative international externalities. In this way, it proposes four priority actions for the speeding up of the SDGs in the EU and internationally:

1. Issuing of a joint political declaration of the European Council, the European Parliament, and the European Commission, reasserting their strong commitment to the 2030 Agenda;
2. Preparing a Communication from the European Commission clarifying how the EU intends to reach the SDGs, with targets, a calendar, and a roadmap – a statement that should be regularly updated and show in what way current European policies have to be more ambitious or new policies be created, so that these goals can be achieved;
3. Renewal of the term of the platform of multi-stakeholders of the SDGs, or the creation of a new mechanism to the civil society and scientists in SDG policies and their monitoring (as is the case of this Observatory of the SDGs in Portuguese companies project);
4. Preparing a single Voluntary National Review for the European Union before the United Nations SDG Summit in September 2023. This report must include internal priorities, diplomatic actions, and international actions that address the subject of negative international externalities to the Union – which will be key to legitimating the EU internationally. In 2022, the EU communicated its intention to present a global Voluntary National Review to the UN in 2023.

The ESDR (2021) also highlights the following:

- The role the EU should take on as leader of a multilateral Ecological Deal and diplomacy for the SDGs in the international context;
- The necessity of the EU ascertaining the level of alignment of the Recovery and Resilience Plans of its Member States with the SDGs' challenges;
- The special role that the changing of the European systems in terms of food, agriculture, and land use has on the pursuit of the SDGs – with a direct impact on SDG#2, SDG#3, SDG#12, SDG#13 and SDG#15.

At the European level, it is also important to consider the EUROSTAT report, which has been annually published since 2017, and which monitors the European Union's progress in the fulfillment of the 2030 Agenda based on the specific set of officially selected indicators from a global list of United Nations indicators. The selected indicators are considered the most relevant and adequate in the European context and do not coincide exactly with the global indicators.



The *Sustainable Development in the European Union - Monitoring report on progress towards the SDGs in an EU context* (EUROSTAT, 2022) monitors the SDGs' progress in the European Union, considering particularly relevant phenomena in the European context, as well as taking the EU's long-term policies into account. In this EUROSTAT report, the SDGs corresponding to each one of the policies established by the European Union was grouped according to Figure 4.1.12.

European Commission priorities and their alignment with the SDGs

Figure 0.3: The European Commission Priorities



Figure 4.1.12 – Source: EUROSTAT (2022)

The EUROSTAT 2022 report is a key instrument to facilitate the coordination of EU policies related to the SDGs at the Union level and within its Member States. It works as an instrument that allows evidence of the transversal nature of the SDGs and the connections between them. It also has in mind the approach defined by the European Commission for the implementation of the SDGs – described in the working document of the Commission services intitled: *Delivering on the UN's Sustainable Development Goals – A comprehensive approach* (2020).

It is worth noting that the EUROSTAT reports aim to evaluate the EU's progress concerning the SDGs over

the last 15 years, being that the EUROSTAT 2022 Report focuses on the EU's progress in fulfilling the 2030 Agenda over the last 5 years. On the other hand, considering the temporal hiatus in data reporting, the available data and the object of analysis in this 2022 report refer to the 2015-2020 or 2016-2021. Therefore, the effects of the most recent situation, namely the ones (still) caused by the pandemic or the ones resulting from the war in Ukraine, will be, at most, only marginally reflected in the results of the EUROSTAT 2022 Report, as the report itself recognizes.

Figure 4.1.13, presented in the EUROSTAT 2022 report, shows the rhythm of the progress of the pursuit of the 17 SDGs by the European Union's Member States as a whole in the last five years.

EU progress with the SDGs in the last 5 years (2015-2020 or 2016-2021)



Figure 4.1.13 – Source: EUROSTAT (2022)

The greatest challenges are with SDG#15, SDG#16, and SDG#17, being that SDG#16, SDG#1, SDG#8, SDG#7, SDG#9, and SDG#3 (in that order) are the ones with which the European Union has made the most progress in the last 5 years. At the top of the list of SDGs that have been met with moderate progress are SDG#14, SDG#5, SDG#11, SDG#10 and SDG#12, SDG#4, SDG#13 and SDG#2 lower on that list (also according to decreasing order of positioning).

The detailed analysis the EUROSTAT makes concerning each one of the 17 SDGs (focusing on the indicators most suited to the EU's reality) makes it possible to conclude there is some alignment between many of the conclusions already put forth by

the SDG Index (2022) and the ESDR (2021).

However, the comparison between these reports and the EUROSTAT 2022 Report should be made with some caution considering that, as mentioned, the EUROSTAT 2022 Report does not focus on a particular calendar year but instead translates the EU's progress with the SDGs over 5 years, and having, as a reference, a selection of specific indicators (the most relevant and suited in the European context) and which do not, for that reason, coincide exactly with the global indicators.

The EUROSTAT 2022 Report's main conclusions concerning each one of the 17 SDGs (taking into account their aforementioned positioning) are the following:

(i) Concerning SDGs which progressed the most:

SDG#16 – all this SDG's indicators show a clearly positive trend, once again placing this SDG at the top of the ranking; however, despite the growing concern of the European Commission about the judicial system's independence in some Member States, most European citizens continue to perceive this independence as being intact.

SDG#1 – the EU has made considerable improvements with this SDG, although it is important to point out that the data analyzed does not yet entirely reflect the pandemic's impact.

SDG#8 – after the pandemic, clear signs of economic and labor market recovery were perceived (the percentage of employment rose to a peak of 73,1% in 2021). However, it must be noted that there has been a rise in uncertainty, especially since the start of the war in Ukraine.

SDG#7 – due to a sharp fall in energy consumption in the EU during 2020, the target for energy efficiency set for that year was achieved, and the EU seems to be on the right track to achieve the target set for 2030. There was also a rise in the percentage of renewables in energy consumption. It should be highlighted that the data do not yet reflect the rise in energy prices.

SDG#9 – this SDG shows a favorable trend in most of its indicators, namely a continual rise in research, development, and innovation matters, with improvements concerning the sustainable transition of the industrial sector, with a decrease in the intensity of the consequent air emissions.

SDG#3 – the pandemic's impact is not yet reflected in the data referring to this SDG, which still shows moderately positive trends, namely concerning access to health services, despite the reported shortcomings.

(i) Concerning SDGs with moderate progress:

SDG#14 – improvement in available data has allowed for consideration of this SDG by EUROSTAT concerning the respective targets, showing a generally favorable trend in sustainable fishing and marine conservation – and protected marine areas more than doubled in the EU since 2012. However, there is no data about the state of conservation of those same areas, nor the effective protection they provide for the species and habitats. On the other hand, the oceans' acidity keeps rising due to the absorption of CO2 from the atmosphere, reaching unprecedented levels in 2020..

SDG#5 – there has been a positive development in this SDG in most monitored areas – for example, women's hourly rate is coming closer to men's, and the gender-based employability gap has decreased since 2016. There has also been a rise in women in positions of leadership. However, this situation is far from equal between men and women. In education, the gender gap appears inverted, as the number of women attending secondary school and the university is higher than men

SDG#11 – marked developments are noted in the indicators concerning the quality of life in cities and communities, as the situation is more complex regarding sustainable mobility and environmental impacts. There have also been improvements concerning air quality, but a great decrease in the use of collective public transport, exacerbated by the pandemic. Urban areas have risen at a greater speed than the population, and the growth of the rate of urban waste recycling has slowed down in recent years, moving the EU away from the necessary trajectory to be able to fulfill its targets set for 2030.

SDG#10 – the trajectory of this SDG is moderately favorable, although the gap between rich and poor is higher. There are also disparities between Member State in economic matters, while, in addition, an improvement in the integration of migrants coming from outside the EU and the reduction in wage inequality between European and non-European citizens has been verified.

SDG#12 – the EU's material footprint has decreased since 2014, and the consumption of dangerous chemicals has risen since 2015 (despite a slight break in 2020). The new passenger cars' efficiency in terms of CO2 emissions rose considerably in 2020, but progress is necessary to be able to meet European targets. Waste production (excluding extractive residues) has risen since 2014, but, on the other hand, there have been improvements in the circularity of materials and a rise in recycling and valorization rates

SDG#4 – the parameters referring to this SDG show divergences according to whether the indicators respect participation in education (which shows a positive trend) or the monitoring of its quality and results in terms of effectively acquired capabilities – in which there has been a rise in the proportion of students with low levels in reading, math, and science. It has also been seen stagnation in the rate of adults with at least basic digital capabilities.

SDG#13 – here, the EU's performance is moderately positive. Although it is estimated that the EU has already reduced its greenhouse gas emissions by

about 31% since 1990, further efforts will be necessary to reach the new target of a 55% reduction by 2030. Furthermore, the forest use sector's contribution as CO2 sinkholes has decreased in recent years. In terms of impact and adaptation to climate change, the monetary losses caused by climate and meteorological disasters have continually risen in recent years. As positive aspects, the EUROSTAT highlights the continuous rise of the number of signatories of the Covenant of Mayors for Climate and Energy and, in addition, the EU's financial contribution to developing countries as regards climate has continually risen over the more recent years.

ODS#2 – in the EU context, this SDG focuses on themes such as malnutrition and sustainable agriculture and its environmental impacts. In terms of malnutrition, the rise in the obesity rate since 2014 in the EU has been clear. On the other hand, the trend has been positive regarding the feasibility and sustainability of agricultural production over the last 5 years. The productivity in the agricultural sector has improved, and there is an increase in public investment in agricultural research and development. There has also been an increase in organic agriculture, although a rise in this field is necessary to ensure the EU reaches its goal of organic agriculture being practiced in 25% of the total cultivated area by 2030. The negative environmental impacts of agriculture are visible in the EU, especially with the rise of nitrate in subterranean waters and the dramatic decline of birds. On a positive note, the area at risk of severe erosion has slightly decreased.

(i) Concerning SDGs, which show the biggest challenges:

SDG#6 – on a positive note, this SDG has shown a continuous reduction in the percentage of people with no sanitary infrastructure in their homes. The trend concerning the water quality for human consumption is less positive, with a fall in the water quality of rivers and subterranean bodies of water.

ODS#15 – although the indicators show slight improvements, the developments concerning this

SDG's targets are, on the whole, negative. While there was a slight rise in forest and protected land areas, the pressures on biodiversity due to the change in land use have risen with the consequent loss of habitats, fauna, and ecosystems. In addition, the negative impacts of the consumption patterns of the EU on the (global) loss of biodiversity are considerable.

SDG#17 – If imports from developing countries have continued to rise, the EU's global financial support to those same countries has decreased in recent years (although the official development assistance has consistently risen). The already low percentage of environmental rates and taxes in the total tax revenues has decreased even more.

SDG legislation that impacts Portuguese companies

Legal context

4.1.2

Global, European, and national legislation

The 2030 Agenda has a global nature in its roots, transversal to countries, public and private institutions, the corporate world, and the whole of civil society. This global and transversal character of the 2030 Agenda summons all agents of society to contribute to its achievement, as the companies' role is undeniable on this path.

Although the United Nations has, since day one, called on the corporate sector to fulfill this agenda, the SDGs' language translates structural goals for humanity announced in the UN's context through a language typical of international conventions. It is, therefore, a language more familiar to countries and public institutions, not always easily understandable

for companies, which struggle to decipher how they can contribute to the achievement of this agenda.

The language challenges can be worsened in the SDGs whose relation with the corporate world is (because of the matters they address) less clear – as, for example, is the case of SDG#1 – No Poverty, SDG#14 – Life below water and SDG#15 – Life on land. In these SDGs, it is commonly difficult for companies to understand in what way they can contribute to their fulfillment. On the other hand, it is natural (but not always right) that companies prioritize SDGs in which they feel they can have a more direct impact, which would be the case, for example, of SDG#8 – Decent work and economic growth or SDG#9 – Industry, innovation, and infrastructure, where they will tend to

¹⁰ See Resolution adopted by the General Assembly on 25 September 2015 A/RES/70, Transforming our world: the 2030 Agenda for Sustainable Development, available at: https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf. See, especially, paragraphs 28, 52, 62, and 67.

have a clearer and more immediate impact, starting with their employees and operations.

Therefore, implementing the SDGs is a challenge to companies, who also find obstacles in their operability, starting with the fact that they are unfamiliar with the SDGs' language, as mentioned. The evidence of companies' obstacles and motivations in their involvement with the SDGs is developed in Chapter 7 of this report.

Considering the difficulties concerning translating the SDGs into corporate reality, companies must improve their knowledge of this Agenda. Such a challenge involves deepening knowledge of the various matters, targets, and indicators into which each SDG unfolds itself and understanding how a company can act on its development. It may be useful for this understanding to also consider whether there is a legislative framework that establishes guidelines, or even obligations, applicable to companies – a framework that impacts and aims at fulfilling the SDGs in some way.

So, from the global and European context in which Portugal places itself concerning implementing the 2030 Agenda, it is important to introduce the legal framework applicable in Portugal with direct or indirect relevance to corporate activity. The legal framework establishes the foundation for the companies' activity, defining legal obligations for their activity and norms which, even when not yet mandatory, point the way for the corporate world to consider, there being much legislation which, in a more or less explicit way, drives the SDGs of the Sustainable Development Agenda.

In this sense, joint research was developed by CATÓLICA-LISBON and VdA, Vieira de Almeida, a law firm, in order to create a simple legal chart (see Chart 4.1.2), direct and practical, so that companies may map some of the legislation to which they are subject and which contributes to the fulfillment of the SDGs.

The legislative framework companies must consider was developed using the ESG (Environment, Social, Governance) language. The choice of this organization of information (E + S + G) is associated with the logic

commonly used by investors and subsequently used by companies in their non-financial annual reports. The intention is to cross both frameworks and their languages (SDG and ESG) and thus create a matrix of interpretation and a tool that aims at being operational and useful for companies that develop their activity in Portugal. This matrix translates some of the main legislation currently in force into the SDGs' language. It should be noted that, despite this crossing, both languages are different and have different ambitions.

Because it assumes tendentially transversal, instrumental, and leveraging concerns on various matters – especially environmental and social matters – it was decided to, alongside the three ESG factors, create a specific table for legislation associated with sustainable finance.

It is noteworthy that aspects of ESG and SDGs correspond to legal obligations and that companies must already approach that from a compliance standpoint (the legislation shown in Chart 4.1.1 foresees a wide set of specific obligations that companies must comply with). For example, in order to contribute towards the fulfillment of SDG#10, Portuguese law now establishes a system of employment quotas for disabled people, with a degree of disability equal or superior to 60%, aiming at their hiring by employers of both the private and the public sectors with sanction being applicable in case of non-compliance (under law No. 4/2019, of 10 January).

On the other hand, companies can take on more proactive stances and go beyond, in the sense of contributing towards the implementation of the SDGs and anticipating the regulation that is (and the one which will be) in the pipeline. Pro-active companies, which capacitate themselves in advance, will benefit from their front-runner position in terms of SDGs, with competitive advantages in the face of their competitors. In addition, the growing obligations for companies regarding transparency in terms of sustainability will, in the near future, make it difficult for those who have been "left behind" in implementing this Agenda for Sustainable Development to maintain their operation. So, the sooner and the more effectively

companies incorporate the SDGs into their culture, values, and attitude, the more qualified they will be to face the challenges of sustainability, which increasingly tend to be translated into legal obligations. they will be to face the challenges of sustainability, which increasingly tend to be translated into legal obligations.

It must be highlighted that, beyond a strict compliance logic, the selection of the SDGs to be prioritized by companies must be associated, to a great extent, with the sector and geography in which each company operates, as well as the activities – particularly core activities – it develops and how it can impact the 2030 Agenda in a greater and better way.

The reading of the following legislation chart (Chart 4.1.2) should take the following points into account:

- The legislation refers, at the date of conclusion of the present study, totally or partially in force in Portugal and is outlined about the original diploma, which must always be read and interpreted in its most recent and in force version;

- i.e., the SDG (or SDGs) which the diploma in question impacts more directly, as it is certain that some diplomas may have an indirect relation with several SDGs – for example, as regards the Directive on environmental impact assessment to which some public and private projects susceptible to producing significant effects on the environment are subject, SDG#6 – Clean water and sanitation, SDG#13 – Climate action, and SDG#15 – Life on land are listed as the most directly impacted. However, the legislation is also related to SDG#14 – Life below water, and may indirectly impact SDG#12 – Responsible consumption and production or SDG#9 – Industry, innovation, and infrastructure.

- The legislation is organized into the four groups identified above, each with a color associated with it: 1. Environment (in green), 2. Social (in orange), 3. Governance (in blue), 4. Sustainable Finance (in yellow);

- In each of these 4 groups, one starts by listing the international legislation, followed by legislation enacted by the European Union, and, finally, the legislation in force in the national legal framework – in each of these separators ("International," "European Union," and "Portugal"), the legislation is presented chronologically;

- Inside each of these four big groups, one starts in the first line of the separator by identifying all the SDGs often associated with the matters at stake (Environment, Social, Governance, and Sustainable Finance);

- A correlation with the respective SDG(s) is made concerning each legislation identified in the tables. To make the reading easier, for each diploma, a selection was made to only indicate "the" main related SDG(s)

- Much of the legislation indicated on the chart (especially concerning International and European Union legislation) is directed at States and not directly at companies. However, in as much as this legislation accommodates corporate activity, establishing the main guidelines which are consequently translated into national legislation, it was deemed important to also include said legislation on this list (this is the case with respect to all international conventions and European Union Directives mentioned in the chart).

- Lastly, it must be noted that the obligations each piece of legislation foresees may vary according to the size or nature of each company (whether it is, for example, a big company or a small and medium-sized company), which implies that a careful and professional analysis must necessarily be made to assess the applicability of each diploma and each of its obligations to any specific company.



SDG legislation that impacts Portuguese companies

Main Diplomas

The following compilation of international and national legislation concerning the SDGs and which impacts Portuguese companies is not, nor aims or pretends to be, exhaustive. The SDGs encompass many issues, and this chart aims to indicate the main legislative instruments of the environmental, social, and governance aspects that impact companies operating in Portugal. Therefore, this list only gathers a selection of some of the legislation currently in force, which may be particularly relevant to the 17 SDGs of the 2030 Agenda. Consequently, none of the entities that collaborated in producing the following chart is responsible for a personalized selection aiming at any particular entity or situation. This chart does not replace professional counseling.

ENVIRONMENT



The main legislative instruments concerning the environment are here presented in correlation to the SDGs relevant to:
 - the “Planet” (in reference to the SDGs’ 5 “Ps”), and
 - the “Biosphere” (base of the SDGs wedding cake).
 In particular, SDG#6, SDG#13, SDG#14, SDG#15, SDG#11, and SDG#12. The partnerships, SDG#17, being cross-sectional and promoting the implementation of the remaining SDGs, are also relevant in this environmental context.

International



The United Nations Framework Convention on Climate Change Signed in Rio de Janeiro in June 1992, it aims at stabilizing greenhouse gas concentrations in the atmosphere at a level that prevents dangerous anthropogenic (human-induced) interference with the climate system.



The UN’s Convention on Biological Diversity. Signed in Rio de Janeiro in June 1992, the convention has three main goals: the conservation of biological diversity (that is to say, biodiversity, i.e., the variety of living beings on the planet); the sustainable use of its components; and the fair and equitable sharing of benefits arising from genetic resources.



The Kyoto Protocol. Signed in December 1997, it aims at limiting quantified greenhouse gas emissions from developed countries and, consequently, global warming.



Paris Agreement. Signed in April 2016, this agreement aims at giving a global answer to the challenges related to climate change, namely, the need to curb the rise of the average global temperature.

European Union



Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats, wild fauna, and flora. This directive aims at promoting the maintenance of biodiversity, taking existing economic, social, cultural, and regional requirements into account, “Habitats Directive.” It protects over 1000 animals, vegetal species, and over 200 habitats. Jointly with the “Wild Birds Directive,” it makes up the cornerstone of the European policy on nature conservation.



Directive 2003/87/EC of the European Parliament and the Council of 13 October 2003. Establishes a scheme for greenhouse gas emission allowance trading within the EU.



Directive 2009/147/EC of the European Parliament and the Council of 30 November 2009. Establishes a directive for the conservation of wild birds (“Wild Birds Directive”).



Directive 2014/89/EU of the European Parliament and the Council of 23 July 2014. Establishes a framework for maritime spatial planning. The directive defines the EU’s common approach concerning the planning of maritime regions. The framework seeks to promote: the sustainable growth of maritime economies, also termed the “EU blue economy;”, the sustainable development of maritime regions, and the sustainable use of marine resources.



European Green Deal - Communication from the Commission to the European Parliament, the European Council, the Council, European Economic and Social Committee, and the Committee of the Regions, COM/2019/640 final, of 11 December 2019. European Green Deal sets a package of measures to allow companies and citizens to benefit from a sustainable ecological transition. These measures are accompanied by an initial roadmap of the key policies that address issues from emission reductions to investment in advanced research to preserve Europe’s natural environment.



Regulation (EU) 2021/1119 of the European Parliament and the Council of 30 June 2021. Establishes the framework for achieving climate neutrality and amends Regulations (EC) No 401/2009 and (EU) 2018/1999. It is also known as the “European Climate Law” and sets out a goal of, by 2030, reducing net emissions of greenhouse gases (after removal deduction) by at least 55% compared with the 1990 levels.

Portugal



Law No. 58/2005, of 29 December. Approves the Water Law, transposing Directive 2000/60/EC, of the European Parliament and of the Council, of 23 October, the “Water Framework Directive.” This diploma establishes the legal framework applicable to water resources comprising, in addition to the waters, the respective riverbeds, and margins, as well as the adjacent areas, maximum infiltration areas, and protected areas.



Law No. 50/2006, of 29 August. Approves the Framework Law on Environmental Infractions, regulating the application of environmental infractions and establishing, among others, the number of fines and other sanctions according to the gravity of the infraction: minor, serious, or very serious.



Decree-Law No. 226-A/2007, of 31 May. Establishes a legal regime governing the use of water resources and respective use titles (authorization, license, or grant).



Decree-Law No. 147/2008, of 29 July. Establishes the legal regime on liability for environmental damage and transposes Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004, which approved, based on the polluter pays principle, the regime for the prevention and remediation of environmental damage.



Law-Decree No. 127/2013, of 30 August. Establishes the regime of industrial emissions applicable to integrated pollution prevention and control, as well as the rules aimed at avoiding or reducing emissions to air, water, soil, as well as waste production, to reach a high level of protection of the environment as a whole, transposing Directive 2010/75/EU, of the European Parliament and of the Council, of 24 November 2010, concerning industrial emissions (IPPC Directive – Integrated Pollution Prevention and Control).



Law-Decree No. 151-B/2013, of 31 October. Establishes the regime on assessing the effects of certain public and private projects on the environment, transposing Directive 2011/92/EU, of the European Parliament and of the Council, of 13 December, on the same subject.



Law No. 19/2014, of 14 April. Establishes the basis for environmental politics (“Base Law for the Environment”). The environmental policy aims at realizing environmental rights through the promotion of sustainable development, supported by the proper management of the environment, particularly ecosystems and natural resources, contributing to the development of a low-carbon society and a green economy based on the rational and efficient use of natural resources, which assures the well-being and progressive improvement of citizens’ quality of life.



Law No. 82-D/2014, of 31 December. Amends environmental fiscal regulations in energy and emissions, transportation, water, waste, territorial planning, forests, and biodiversity while also introducing a tax regime on plastic bags and an incentive scheme on end-of-life vehicle removal within the framework of an environment tax reform.



Law-Decree No. 102-D/2020, of 10 December. Approves the general regime on waste management and the legal regime of waste landfills and amends the regime on the management of specific waste streams, transposing a range of European directives concerning waste.



Law No. 98/2021, of 31 December. Approves the “Base Law for the Climate,” acknowledging the existence of a climate emergency. On a national level, the targets set for the reduction of emissions (compared to the 2005 figures) are at least: (i) 55% by 2030; (ii) 65% to 75% by 2040; and (iii) 90% by 2050 – with a commitment to assess a possible advance in the climate neutrality target until, at the latest, 2045. A specific target was set for the land use and forest sectors which are expected to sink (through net removals) 13 megatons of greenhouse gases between 2045 and 2050.

SOCIAL



The main legislative instruments on social issues are here presented primarily in correlation to the SDGs relevant to:
 – “People,” “Prosperity,” and “Peace” (in reference to the SDGs’ 5 “P’s”), and
 – “Society,” but also “Economy” (in reference to the SDGs “wedding cake”).
 Especially SDG#1, SDG#2, SDG#3, SDG#4, SDG#5, SDG#6, SDG#8, SDG#10, and SDG#16. As “Partnerships” are transversal and promote the implementation of the remaining SDGs, SDG#17 is also relevant in this social context.

Internacional



The International Bill of Human Rights. Set of three key instruments concerning Human Rights – the Universal Declaration of Human Rights (1949), The International Covenant on Economic, Social and Cultural Rights (1966), and the International Covenant on Civil and Political Rights (1966).



The International Convention on the Elimination of All Forms of Racial Discrimination. Concluded in New York on 21 December 1965, it aims to adopt policies to eliminate all forms of racial discrimination.



Convention on the Elimination of All Forms of Discrimination Against Women. Concluded in New York on 18 December 1979, it aims at adopting necessary measures to suppress this discrimination in all its forms and manifestations.



Convention on the Rights of the Child. Concluded in New York on 20 November 1989, it aims at protecting children’s rights.



Declaration on Fundamental Principles and Rights at Work. Adopted in 1998 to establish the principles and rights at work. In this context, we note the eight conventions identified by the International Labour Organization (ILO) Administration Council as fundamental – **Convention No 182, concerning the Worst Forms of Child Labour, 1999; Convention No 138, concerning the Minimum Age for Admission to Employment, 1973; Convention No 111, concerning Discrimination in Respect of Employment and Occupation, 1958; Convention No 105, concerning the Abolition of Forced Labour, 1957; Convention No 100, concerning Equal Remuneration, 1951; Convention No 98, concerning the Right to Organise and Collective Bargaining, 1949; Convention No 87, concerning the Freedom of Association and Protection of the Right to Organise, 1948** and **Convention No 29, concerning Forced or Compulsory Labour, 1930.**



Convention on the Rights of Persons with Disabilities. Concluded in New York on 13 December 2006, it aims at promoting, protecting, and guaranteeing the full and equal enjoyment of all human rights and fundamental liberties by every person with disabilities and promoting respect for their inherent dignity.



United Nations Guiding Principles on Business and Human Rights (UNGPs). Resolution No A/HRC/RES/17/4 of the United Nations Human Rights Council of 6 July 2011 sets the guiding principles of the international regime of corporate responsibility concerning human rights, namely companies' due diligence.

União Europeia



Council Directive 2000/43/EC of 29 June 2000. Establishes the principle of equal treatment between persons irrespective of racial or ethnic origin.



Charter of Fundamental Rights of the European Union. Approved in December 2000, it gathered civil, political, economic, and social rights for European citizens.



Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016. Establishes the rules concerning the protection of natural persons concerning the processing of personal data and the free movement of such data, including potential reporting obligations. Generally known as the General Data Protection Regulation.



Directive (EU) 2019/1158 of the European Parliament and the Council of 20 June 2019. Establishes minimum requirements aimed at reaching equality between men and women with regard to labor market opportunities and treatment at work, facilitating the reconciliation of work and family life for such parents and carers, setting out individual rights related to paternity leave, parental leave, and carers' leave, and to flexible working arrangements for workers who are parents or carers.

Portugal



Law No 102/2009, of 10 September. Establishes the legal regime on the promotion of health and safety at work.



Law No 28/2016, of 23 August. Aims to combat modern forms of forced labor.



Law No 93/2017, of 23 August. Establishes the legal regime of prevention, prohibition, and combat against discrimination based on racial or ethnic origin, color, nationality, ancestry, and region of origin.



Law No 4/2019, of 10 January. Establishes the system of work quotas for people with disabilities, with a degree of incapacity equal or superior to 60%, aiming at their hiring by employers of both the private and public sectors.



Law No 26/2019, of 28 March. Establishes the regime of balanced representation between men and women in managerial positions and public administration bodies.



Law No 58/2019, of 8 August – Data Protection Law – assures the execution in Portugal of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016, i.e., the General Data Protection Regulation.



Law No 27/2021, 17 May – Approves the Portuguese Charter of Human Rights in the Digital Era. The charter sets forth innovative norms regulating the digital environment from both horizontal and vertical perspectives (in the sense that it foresees rights and duties applicable to relations between the State and citizens, as well as to relations exclusively between private entities). The charter, regulating cyberspace security, deals with issues such as misinformation, digital will, user protection on online platforms, and child protection.

GOVERNANCE



The main legislative instruments on governance issues are here presented primarily in correlation to the SDGs relevant to:

- "Prosperity," "Peace," and "Partnerships" (in reference to the SDGs' 5 "P's"), and
- "Society" and "Economy" (in reference to the SDGs "wedding cake").

Especially SDG#5, SDG#8, SDG#10, SDG#12, and SDG#16. As "Partnerships" are transversal and promote the implementation of the remaining SDGs, SDG#17 is also relevant in this governance context.

International



The United Nations Convention Against Corruption – Concluded on 31 October 2003 in New York. Referring to the prevention of Corruption, criminalization and law enforcement, international cooperation, and asset recovery.



OECD Guidelines for Multinational Enterprises. Establishes a set of recommendations addressed by the OECD States to multinational companies. These recommendations (first adopted in 1976 and updated, for the 5th time, in 2011) offer guidelines and voluntary standards for responsible management conduct in a global context in accordance with adopted laws and internationally recognized standards.

European Union



Regulation (EU) No 995/2010 of the European Parliament and the Council of 20 October 2010. Lays down the obligations of operators who place timber and timber products on the market, namely concerning due diligence and prohibiting the placing on the market illegally harvested timber or timber products derived from such timber.



Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large companies and groups. It establishes the obligation for certain companies to disclose information related to how they operate and manage environmental issues, social and employee-related matters, respect for human rights, anti-corruption, and bribery matters.



Directive (EU) 2016/1148 of the European Parliament and of the Council of 6 July 2016: concerning measures for a high common level of security of network and information systems across the Union.



Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017. Lays down supply chain due diligence obligations for Union importers of tin, tantalum, and tungsten, their ores, and gold originating from conflict-affected and high-risk areas.



Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018. Amends Directive (EU) 2015/849 on preventing the use of the financial system for money laundering or terrorist financing.



Council Regulation (EU) 2019/796 of 17 May 2019. Setting restrictive measures against cyber-attacks threatening the Union or its Member States. This applies to cyber-attacks with a significant effect, including cyber-attack attempts with a potentially significant effect, representing an external threat to the Union or its Member States.

Portugal



Law-Decree No 89/2017, of 28 July. Establishes obligations of disclosure of non-financial information and diversity by large companies and groups, transposing Directive 2014/95/EU. Companies of public interest that have, on average, more than 500 employees must annually present a non-financial demonstration that includes a description of followed policies in relation to processes of due diligence and main social and environmental risks connected to the company's activity.



Law No 62/2017, of 1 August. Establishes the regime of balanced representation between men and women in the board of directors and bodies of public and listed companies.



Law No 46/2018, of 13 August. Establishes a legal regime for cyberspace security, transposing Directive 2016/1148 (EU) of the European Parliament and Council of 6 July 2016, concerning measures aimed at guaranteeing a high common level of security of network and information systems across the European Union.



Law No 58/2020, of 31 August – Establishes measures to combat money laundering or terrorist financing.

SUSTAINABLE FINANCE



Sustainable financing can have – and aims at having – transversal impacts which are instrumental and drivers of various other themes of the SDGs – especially environmental and social issues -reasons which justify the decision of autoionizing the legislation framing this matter in its separator.

União Europeia



Action Plan: Financing Sustainable Growth. European Commission communication COM (2018) 97 final, of 8 March 2018 - Communication of the European Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic, and Social Committee, and the Committee of the Regions approving the Plan and sets out a strategy to connect the financial sector to



Regulation (EU) 2019/2088 of the European Parliament and the Council of 27 November 2019. Establishes a regime of sustainability-related disclosures in the financial services sector – best known as the Sustainable Finance Disclosure Regulation (SFDR)



Regulation (EU) 2019/2089 of the European Parliament and the Council of 27 November 2019. Amends Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks, and sustainability-related disclosures for benchmarks.



European Green Deal Investment Plan – Communication from the European Commission COM (2020) 21 final 14 January 2020 - Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions. Approves the Plan, which aims at supporting public investment, and a framework that enables and stimulates public and private investments needed to ensure a transition to a green, competitive, inclusive economy that ensures climate neutrality.

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (“EU Taxonomy Regulation”). This Regulation sets the criteria for determining whether an economic activity qualifies as environmentally sustainable to establish the degree to which an investment is environmentally sustainable. Known as the “Taxonomy Regulation,” it aims to provide a common language for companies and investors to identify those economic activities that may be considered sustainable by setting out six environmental objectives. Despite not being yet in force, the following delegated acts supplementing the EU Taxonomy Regulation were already approved by the European Commission. They will follow suit with the EU co-legislators: C/2021/4987, specifying the content and presentation of information to be disclosed by companies subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation, and C/2021/2800, establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.



Commission Delegated Regulation (EU) 2021/1253 of 21 April 2021. Amends Delegated Regulation (EU) 2017/565 as regards the integration of sustainability factors, risks, and preferences into certain organizational requirements and operating conditions for investment firms.

Portugal



Law-Decree No 63/2020, of 7 September: Regulates the activity and proceedings of the Banco Português de Fomento, Lda. (BPF), and approves its Statutes. The Program of the XXII's Constitutional Government proposes developing a green bank to confer financial capacity and speed up the various existing sources of financing dedicated to investing in sustainable projects, carbonic neutrality, and circular economy. One of the attributions of the BPF is to mobilize adequate financial instruments to promote a green economy in line with the European guidelines for sustainable finance.



Law-Decree No 29-B/2021, of 4 May: Establishes the governance model of the European funds attributed to Portugal through the Recovery and Resilience Plan (PRR). Within the financial package that resulted from the consensus of the European Council in July 2020, the Recovery and Resilience Mechanism was created, allowing each country to plan a set of reforms and investments. This diploma establishes the European funds' governance model in Portugal, framed in the Next Generation EU, from 2021-2026, namely the organic, strategic, and operational structures to monitor the implementation of the Recovery and Resiliency Plan in Portugal. This legislation sets rules regarding management, monitoring, evaluation, control, and auditing activities, according to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021, establishing the Recovery and Resilience Facility.

Future legislative trends

Differently to the Millennium Goals, in the resolution to approve the 2030 Agenda, the UN appealed to all companies – regardless of their size, sector of activity, and geographies – to apply their ability to innovate to the resolution of sustainable development challenges. This appeal was, at the time, made with the conviction that the capacity to fulfillment of the ambitious Sustainable Development Goals (SDGs) by 2030 would be strongly dependent on the action and collaboration of all – Governments, companies, and civil society.

On the other hand, a few years after the approval of the 2030 Agenda, the climate emergency also led to the adoption, by the European legislator, of the Sustainable Finance Action Plan and of the European Green Deal to make Europe the first continent to achieve climate neutrality by 2050, through, among other measures, the creation of incentives to sustainable investment.

The approval of the Environmental Taxonomy Regulation (“Taxonomy”) – a classification system of economic activities considered to be sustainable – is a key ingredient of the legislation approved in this context, which constitutes a strong motivation for companies who want to keep on attracting investment, by adapting their business strategy to the challenges sustainability. The companies’ contribution to one or more of the six environmental goals laid out at Taxonomy will always, simultaneously have a strong impact on a wide array of SDGs, including SDG#7 – Affordable and clean energy, SDG#12 – Responsible consumption and production, SDG#13 – Climate action, and SDG#14 and SDG#15 – Life below water and life on land, respectively. The European Climate Law, approved in 2021, intends to rid Europe of greenhouse gases by 2050, and the Fit for 55 package, which aims at guaranteeing a reduction of the same gases’ emissions by 55% by 2030, will also, inevitably, have a huge impact on SDG#13 – Climate action, making companies, especially in strongly eminent

sectors, adapt their business if they want to remain competitive.

It is also important to note that, according to the United Nations’ 2030 Agenda, the preservation of the Planet does not only consist of climate action but also in the fulfillment of the wide array of 17 SDGs, which range from the combat of poverty to just energy transition, from education to justice, from health to dignified work.

In other words, the focus on People and the importance of Partnerships between private, public, and social sector stakeholders are unmistakable. That is why, in the 2030 Agenda context, the UN states that the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization Conventions, and the OECD Guidelines for Multinational Enterprises should function as international benchmarks of managerial activity, without which the implementation of the SDGs is, simply, not possible.

The integration of the SDGs in the business sector, as a common language for business sustainability worldwide, also warned companies of their role concerning Human Rights, making the theme go up, namely in the legislators’ agenda. In this regard, the directive proposal concerning Company Due Diligence and Corporate Responsibility, being adopted by the European Union, imposes a duty of due diligence in Human Rights on big companies, with associated sanctions, which may materialize a new legislative paradigm, namely with a big impact on the fulfillment of SDG#8 – Decent work and economic growth, SDG#5 – Gender equality, and SDG#10 – Reduced inequalities. In addition, the new European directive established for sustainability reporting purposes, known as CSRD (Corporate Sustainability Reporting Directive), promises to lead Europe to the front-runner position on this matter, starting with establishing the goal of

placing sustainability information on equal terms with financial information (including on certification/auditing terms). Reporting is also encouraged in the SDGs, namely SDG#12 – Responsible consumption and production, which, among the established targets, proposes to companies the adoption of sustainable practices and the integration of information related to sustainability into their reporting cycle (target 12.6 – Encouraging companies to adopt sustainable practices and sustainability reports). Therefore, it is clear the alignment of the business with the SDGs will also contribute to greater compliance with the new legal demands in sustainability matters, bringing a competitive advantage to all the companies that have started to develop efforts with this in mind as of now.

It seems to be clear that the Portuguese companies of the future will be the ones facing the legal instruments in force (and the ones to come) within

the European legal ESG (Environment, Social, and Governance) framework, as relevant clues and tangible opportunities to evolve in their journey of sustainability, through a (better) alignment of their business with the planet and (its) people.

Margarida Couto, Maria Folque and Francisco Almeida
VdA - VIEIRA DE ALMEIDA



The implementation of the SDGs in Portugal 4.2

This section aims to clarify how Portugal crosses its strategic documents with the 2030 Agenda, how the country is fulfilling each SDG, its targets and indicators, and how it is positioned internationally and in the European context. This analysis was made by

proofreading different public documents of scientific literature and conducting interviews with key contacts in this area in Portugal ¹¹.

The adoption of the 2030 Agenda and Portugal's Strategic Priorities

According to Portugal's National Voluntary Report, it actively participated in defining the 2030 Agenda as a member of the European Union and the United Nations. In the European Union's positioning board, Portugal subscribed to the emphasis on the need to give more attention to issues related to peace, security, and good governance, the more pronounced defense of the goals to promote peaceful and inclusive societies, eradicating all forms of discrimination and

violence, namely based on gender, and preserving the seas and oceans, by sustainably managing resources. In this context, Portugal also defended the need for the 2030 Agenda to be "anchored in a real sharing of responsibilities between public and private actors, and between developed and developing countries, beyond the normal North-South approach."

The need to have an "articulated cooperation and complementarity between the different actors, in global, regional and national plans, exploring synergies and interdependencies between the respective responsibilities and strategies, avoiding overlaps and seeking to maximize capacity and impact" was made clear (Portugal National Voluntary Report, 2017, p. 6)

Given this commitment, Portugal finds itself among the 169 signatory countries, which in 2015 launched the 2030 Agenda, and partnered with the private and civil sectors. In all these countries, the evaluation of the progress in the implementation of the 2030 Agenda must be made regularly, involving Governments, civil society, companies, and other development actors. This monitoring/evaluation imposes a global coordination of efforts. On a national level, the responsibility for the general coordination of the SDG Agenda belongs to the Ministry of Foreign Affairs, jointly with the Ministry for Planning and Infrastructures.

As Portugal is bound to these commitments as a State member of the UN, the Ministry of Foreign Affairs takes on the role of general coordination of the SDGs Agenda, given the need for close articulation between the two axes of implementation of the 2030 Agenda (internal plan and external plan). This work is done in close cooperation with all the other Ministries, according to their responsibilities and relationships to the SDGs.

The Interministerial Committee for Foreign Policy (Comissão Interministerial de Política Externa – CIPE) and the Interministerial Committee for International Cooperation (Comissão Interministerial de Política de Cooperação) act as interministerial coordination structures, whether for the implementation of the SDGs, or the preparation of the reports designed to support the processes of national, regional and global monitoring.

Following the launch of the 2030 Agenda in September 2015, the various state members were invited to optionally develop Voluntary National Reviews (VNR) concerning the evolution of the implementation of the SDGs in their countries.

Through the VNRs, the different countries' Governments report the situation regarding the SDGs, exposing challenges they have faced and positive progress. The VNRs are thus used to monitor the High-level Political Forum annually conducted in July. The VNRs aim to ease the sharing of experiences, whether successes, challenges, or lessons taken from the various countries, to promote the acceleration of the implementation of the 2030 Agenda at a global level. They also aim to strengthen policies and institutions, mobilize stakeholders' support, and promote partnerships to implement the SDGs. Since 2015, almost 350 VNRs have been presented by 189 of the UN's State Members and signatories of the 2030 Agenda, according to the list provided by the UN at <https://hlpf.un.org/vnrs>. Togo and Uruguay have the most publications and have already presented their 4th VNR.

Voluntary National Report in Portugal

The Voluntary National Report presented by Portugal (named "**Voluntary National Report**") to the United Nations in 2017 identifies the start of the process of adoption of the 2030 Agenda by the Government and the need for joint action of the various stakeholders, to guarantee the implementation in a transversal and integrated way. The national ambition thus permeates through a spirit of cooperation to ensure an inclusive agenda and highlights the development of mechanisms that propitiate this articulation. The document predicts the development of national policies through six Sustainable Development Goals set as priorities for Portugal. These goals cover the three components of sustainable development – social, economic, and environmental:

- A. SDG#4 – Quality Education
- B. SDG#5 – Gender Equality
- C. SDG#9 – Industry, Innovation, and Infrastructures
- D. SDG#10 – Reduced Inequalities
- E. SDG#13 – Climate Action
- F. SDG#14 – Life Below Water

¹¹The list of conducted interviews can be viewed in Annex 1.

People’s education, development, and qualification are important, translated into SDG#4 – Quality Education. This prioritization aims at inverting delays and historical exclusions and promoting social equality and cohesion. Emphasis is also given to respect for human dignity and reducing inequalities between men and women, translated into SDG#5 – Gender Equality.

Concerning economic growth, Portugal has chosen SDG#9 - Industry, Innovation, and Infrastructure as the priority focus, which has as its goal promoting investment in adequate infrastructures in modern industry, technological progress, and economic digitalization, to stimulate a balanced growth that reinforces social development. In the prosperity model, the country also anchors its strategies on promoting social justice, equity, and equal opportunities, translated into SDG#10 – Reduced Inequalities.

The commitment to climate action and the reduction of practices harmful to the planet is highlighted in the environmental context, evidenced by SDG#13 – Climate Action. The strategic importance the sea and oceans have in history, geography, and Portugal’s identity are also noted, and the commitment to prioritize sea life and the protection and sustainable exploration of its resources, reflected in SDG#14 – Protect Life Below Water, is assumed.

The selection of these goals as priorities for Portugal implied listening to various stakeholders of civil society and NGOs in the public sector, including the various ministerial areas and citizens. There was, at the time, no scrutiny from the private sector. In September 2022, Portugal had already expressed its commitment to present a **new VNR** to the UN in 2023, aligned with the European Union (who also expressed its intention of **presenting its VNR**) and with international practices of most of the EU’s Member States who already has two VNRs published (apart from Portugal, France, Ireland and Lithuania have also indicated their intention to present a new VNR in 2023) – all according to information provided by the UN at <https://hlpf.un.org/countries>.

Following the publication of the Portuguese VNR in 2017, and concerning the COVID-19 crisis and the end of the 2020 European financing cycle, Portugal strategically worked on its future priorities. In that context, studies and strategic planning documents have been published that aim at tracing Portugal’s direction and priorities for the following years on the economic, social, and environmental axes. These documents were analyzed in order to better understand if and in what way the Portuguese strategic plan is aligned with the 2030 Agenda.



Visão Estratégica para o Plano de Recuperação Económica de Portugal 2020-2030

The strategic priorities indicated in the Portuguese VNR are also present in the Strategic Vision for Portugal’s Economic Recovery Plan 2020-2030, developed and presented in July 2020 by António Costa Silva, assigned by the Government to coordinate the preparatory work of elaborating the Economic and Social Recovery Program 2020-2030. In this study, a strategic vision for Portugal was proposed and formulated in the following way:

Recovering the economy and protecting employment in the short-term, and assuring, in the medium and long-term, the transformation of the Portuguese economy, making it more sustainable socially, environmentally, and economically, more resilient, more inclusive, more efficient at managing resources, more digitalized, more innovative, more interconnected, and capable of competing at a European and global scale, based on a critical mass equipped to make a difference. (Silva, 2020, p. 68)



The document thus identifies the Portuguese strategy to ensure economic, social, and environmental progress in the post-COVID-19 context, promoting changes in the structural constraints that inhibit and limit the country's development (Silva, 2020) and placing "companies at the center of economic recovery, changing them so to become the real motor for growth and creation of wealth" (Silva, 2020, p. 13).

The conceptual structure proposed by this document – which served as the basis for Portugal's subsequent Economic Recovery Plan – is based on a strategic horizontal axis, identified as a motor for economic change. It is aligned with the main European sustainability agendas, including the European **Green and Digital Agendas**, the **European Green Deal**, **National Energy, Climate Plans**, and the **Roadmap for Carbon Neutrality 2050**. Ten vertical axes are attributed to this horizontal axis to ensure Portugal's development as an integrated geoeconomic space, globally connected and economically competitive, with employment opportunities and maintenance of social well-being. This structure can be seen in Figure 4.2.1.



Figure 4.2.1

Source: (Silva, 2020, p. 58)

EIXOS ESTRATÉGICOS

1. Uma rede de infraestruturas indispensáveis
2. A qualificação da população, a aceleração da transição digital, as infraestruturas digitais, a ciência e tecnologia
3. O reforço do setor da saúde e a capitalização da resposta à crise
4. O Estado Social
5. A reindustrialização do país com os *clusters* dos recursos minerais estratégicos, energias renováveis, hidrogénio, bioeconomia sustentável e o *cluster* do mar
6. A reconversão industrial com a reorientação das cadeias logísticas e de abastecimento, a fabricação de máquinas e equipamentos e a economia circular
7. A transição energética e a eletrificação da economia
8. A coesão do território, com a inclusão do interior na economia nacional, a dinamização da agricultura e da floresta e a transformação da paisagem
9. Um novo paradigma para as cidades e a mobilidade sustentável
10. Cultura, Serviços, Turismo e Comércio

Figure 4.2.2

Source: (Silva, 2020, p. 70)

¹² Through Order No 6033-B/2020, published in the Portuguese Republic Public Gazette, 2nd series, No 108, 3 June 2020.

Aligned with 10 strategic axes, Silva (2020) identifies 9 crucial goals for Portugal's recovery and development during the next decade.

OBJETIVOS	
1.	Terminar a construção de uma rede estratégica de infraestruturas de transportes e mobilidade, ambientais e de energia, indispensáveis à sustentabilidade, competitividade e conectividade do território.
2.	Reforçar a aposta nas qualificações da população portuguesa a todos os níveis, para superar este défice crónico, acelerar a Transição Digital e apostar nas infraestruturas digitais em todos os setores e na Administração Pública, incentivando novos modelos de trabalho e de produção que incorporem as tecnologias associadas à digitalização.
3.	Reforçar o Serviço Nacional de Saúde (SNS), aumentando a sua capacidade de resposta e fazendo evoluir a sua organização para a diversificação e flexibilização de serviços de saúde e potenciando o <i>cluster</i> de saúde nacional de vantagens competitivas e de afirmação no mercado internacional.
4.	Investir no Estado Social, contribuindo para a criação de riqueza e de emprego e para que as pessoas em situação de pobreza e exclusão social possam viver com dignidade e participar ativamente na sociedade.
5.	Apostar na reindustrialização do país e desenhar fileiras estratégicas associadas às energias renováveis, ao hidrogénio verde, à bioeconomia sustentável, aos recursos minerais e ao mar, garantindo a descarbonização das atividades e assegurando uma transição justa.
6.	Prosseguir com a reconversão industrial e preparar o tecido industrial para os desafios do futuro, garantindo a transição energética e a descarbonização, adotando modelos de uma economia circular e apostando também nas cadeias curtas e nos recursos endógenos.
7.	Apostar mais do que nunca na eficiência energética, na incorporação crescente de energias de fontes renováveis e no apoio à produção renovável descentralizada, de forma a assegurar a transformação da matriz energética nacional, a criação de emprego intensivo e especializado e o combate à pobreza energética.
8.	Promover a coesão do território por via de programas orientados para a preservação da biodiversidade, a valorização do capital natural e a transformação da paisagem, apostando numa floresta ordenada e resiliente e numa atividade agrícola adaptada ao território, preparada para enfrentar os efeitos das alterações climáticas e para cadeias curtas de distribuição e de consumo.
9.	Desenvolver cidades mais verdes e promotoras de uma melhor vivência em comunidade, com apoio à habitação de longa duração, e aposta na mobilidade urbana elétrica e ativa, com a construção de ciclovias e desenvolvimento de novas soluções de logística urbana.

Figure 4.2.3

Source: (Silva, 2020, p. 69)

Portugal 2030 Strategic Framework

In line with the Strategic Vision for António Costa Silva's Portugal's Economic Recovery Plan 2020-2030, the Portuguese Government's Ministry for Planning approved the Portugal 2030 Strategy in November 2020. This document systematizes the main elements of the Portugal 2030 Strategy and lays out how the country must answer to the challenges and impacts of the COVID-19 pandemic, which require a "new cycle of structural policies, with a renewed ambition, which promotes the double transition – climate and digital – and, simultaneously, reinforces the resilience, cohesion, and competitiveness of our economy, society, and territory" (Estratégia Portugal 2030, 2020, pp. 7 e 8).



The document further predicts an answer to the demographic challenge Portugal faces and the structural transformation needed to improve Portuguese citizens' standard of living, establishing the Portugal 2030 Strategy as a "framework of general orientation for the establishment and implementation of public structural policies in the next decade" (Estratégia Portugal 2030, 2020, p. 8).

The Portugal 2030 Strategy "consists of the vision of the next decade of Portugal's recovery and convergence with Europe" (preamble of the [Motion of the Council of Ministers No 98/2020, of 13 November](#), which approved it) and integrates the four following thematic agendas:

- **Thematic agenda 1** – People first: a better demographic balance, more inclusion, less inequality.
- **Thematic agenda 2** – Digitalization, innovation, and qualifications as motors for Development.
- **Thematic agenda 3** – Climate transition and resource sustainability.
- **Thematic agenda 4** – A Country externally competitive and internally cohesive.

Figure 4.2.4 below shows the alignment between the Portugal 2030 Strategy and the Strategic Axes of the Strategic Vision for Portugal's Economic Recovery Plan 2020-2030, mentioned earlier.

¹³ AThrough Motion of the Council of Ministers No 98/2020, of 13 November...

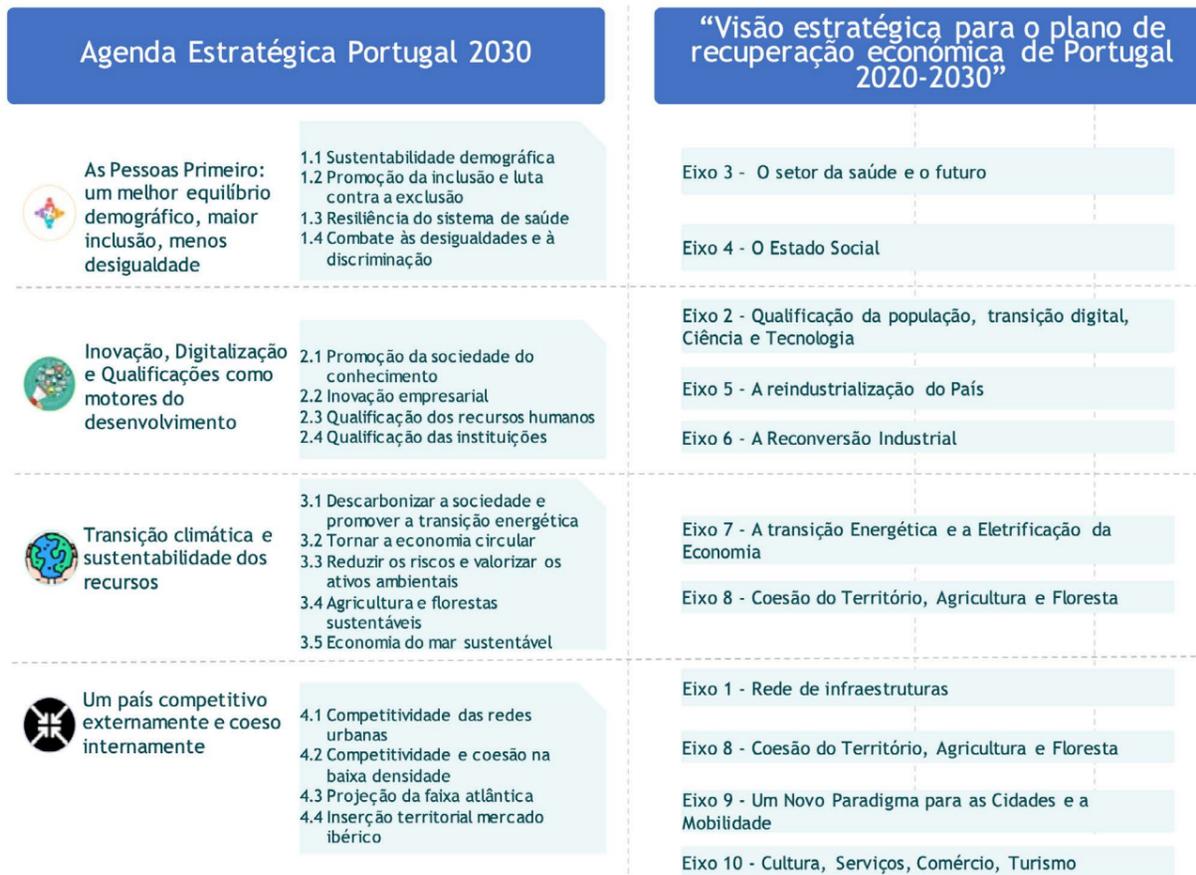


Figure 4.2.4

Source: (Estratégia Portugal 2030, 2020, p.8)

It is important to highlight that the articulation of the thematic agendas and the intervention axes with the goals and targets of the 2030 Agenda is lacking.

Neither the Strategic Vision for Portugal’s Economic Recovery Plan 2020-2030 nor Portugal’s Strategic Framework 2030 use the language of the Sustainable Development Goals, although the European Strategy that serves as guidance for these documents is aligned with the SDGs.

To analyze this theme, Pedro Neves, in his article [“Aligning Post Covid19 Recovery Plans with the SDGs \(The Portuguese Case\)”](#), analyses and makes clear the alignment of the 4 Thematic Agendas and the 10 Strategic Axes identified in the documents with

the 2030 Agenda and the 17 Sustainable Development Goals.

Neves (2020) concludes that, through a flexible approach, it is possible to translate the national plans according to the SDG language, and one can conclude that there is an alignment between António Costa Silva’s vision, the Portugal Strategic Agenda 2030, and the SDGs. The match made by the author is made clear in Figure 4.2.5 below.



Figure 4.2.5

Source: Authors, based on (i) image taken from Estratégia Portugal 2030, 2020, and the analysis of “Aligning Post Covid19 Recovery Plans with the SDGs (The Portuguese Case)”, Pedro Mateus das Neves, 2020.

The “People First” agenda incorporates interventions focused on five strategic domains: Demographic sustainability; Promotion of inclusion and fight against exclusion; Health system resilience; and the Fight against inequalities and discrimination. This agenda crosses axes 3- Health Sector and the Future, and 4 – Welfare State of the Strategic Vision for Portugal’s Economic Recovery Plan 2020-2030.

If we consider the cross-check that Neves (2020) makes of the axes of Strategic Vision for Portugal’s Economic Recovery Plan 2020-2030, one can conclude that SDG#1 – No Poverty; SDG#3 – Good Health; SDG#5 – Gender Equality, and SDG#10 – Reduced Inequalities are linked to the “People First” Agenda.

Concerning “Innovation, Digitization, and Qualifications as drivers of development,” the

strategic focus is on: Promoting the knowledge society, Digitization and business innovation, Qualification of human resources, and Qualification of institutions. This agenda crosses Axes 2 - Qualification of the population, digital transition, Science and Technology; 5 - The Reindustrialization of the country and 6 - The Industrial Reconversion.

According to Neves (2020), these axes can be linked to SDG#4 – Quality Education; SDG#6 – Clean Water and Sanitation; SDG#7 – Affordable and Clean Energy; SDG#9 – Industry, Innovation, and Infrastructure; SDG#12 – Responsible Consumption and Production; SDG#13 – Climate Action, and SDG#14 –Life Below Water.

The “Climate Transition and Resource Sustainability” Agenda has as its goal: Decarbonize society and promote the energy transition; Make the economy



2030 Strategic Agenda. Although Portugal's public strategies are aligned with global and European development policies, which are completely aligned with the SDGs, this alignment and matching are not expressly made clear in the documents produced by the Portuguese government.

As further developed below, the Portuguese Court of Auditors (Tribunal de Contas), in its report on the General State Account published in December 2021, analyses the Portugal 2030 Strategy, the main referential to the country's public policies. From its analysis, the Court has concluded that, if it is true that the Strategy accommodates the principles of sustainable development, it is, however, lacking the articulation with the 2030 Agenda, namely regarding the SDGs prioritized by Portugal, not encouraging the incorporation of the assumed commitments into public policies, nor the awareness, visibility, and dissemination of the SDGs.

One can thus conclude that it would be interesting and advisable that these strategic documents for Portugal were aligned, in an express and patent manner, with the SDGs. That alignment is, first and foremost, an opportunity for improvement, which implies making clear the link between the strategies laid out by Portugal and the 2030 Agenda. This could emphasize the country's position in the international and European context.

Recovery and Resilience Facility

Based on the Strategic Vision for Portugal's Economic Recovery Plan 2020-2030 and the Portugal 2030 **Strategy, the National Recovery and Resilience Plan** (Plano de Recuperação e Resiliência - PRR) was approved in 2021.



The PRR is framed in the **Next Generation EU**, a European instrument designed to boost European countries' economic and social recovery after COVID-19. Next Generation EU aims to transform Europe and make it greener, more digital, and more resilient, aligned with the 2030 Agenda. The PRR is guided by national strategies and policies and is aligned with the European priority of digital and climate transitions. This recovery plan is vital for fulfilling the Portugal 2030 Strategy in the post-pandemic context, aligned with the European guidelines.

The PRR has three structuring aspects: Resilience, Climate Transition, and Digital Transitions. These aspects are aligned with social development and progress, environmental transition and protection, and economic prosperity. These are structuring principles of the 2030 Agenda, reflected in the 17 Sustainable Development Goals..

These 3 aspects gain shape in 20 components, 37 reforms, and 83 investments, which will be implemented by 2026. Figure 4.2.6 illustrates the identified components in each aspect:

circular; Reduce risks and value environmental assets; Sustainable agriculture and forestry; and Create a Sustainable maritime economy. This agenda is linked to axes 7 – Energy Transition and Economic Electrification; and 8 – Land Cohesion, Agriculture, and Forestry.

According to Neves (2020), these axes can be linked to SDG#2 – No Hunger; SDG#7 – Affordable and Clean Energy; SDG#8 – Decent Work and Economic Growth; SDG#10 – Reduced Inequalities; SDG#11 – Sustainable Cities and Communities; and SDG#15 – Life on Land.

The fourth thematic agenda emphasizes the development of "A country externally competitive and internally cohesive," having as its main goal enhancing the role of cities and urban areas as factors of national competitiveness.

The measures seek to develop the competitiveness of urban networks, competitiveness, and cohesion in low-density areas, projection of the Atlantic coast, and territorial insertion in the Iberian market. This strategy translates into axes 1 – Network of Infrastructures, 8 – Land, Agriculture, and Forestry Cohesion, 9 – A New Model for Cities and Mobility, and 10 – Culture, Services, Commerce, and Tourism and, according to Neves (2020), they are linked to SDG#2 – No Hunger, SDG#9 – Industry, Innovation and Infrastructures, SDG#10 – Reduced Inequalities, SDG#11 – Sustainable Cities and Communities, SDG#15 – Life on Land, SDG#16 – Peace, Justice and Strong Institutions, and SDG#17 – Partnerships for the Implementation of the Goals.

Neves's (2020) analysis identifies a clear opportunity for adopting the Sustainable Development Goals' language to translate and give cohesion to the Government's strategy in implementing the Portugal



Figure 4.2.6

Source: The three aspects and respective components of the RRF (PPR, 2020, p. 5)

The **Resilience** dimension is linked to the rise in the response capacity in facing crises and current and future challenges. This aspect arises to promote a transformative, long-lasting, just, sustainable and inclusive recovery. It is understood in the PRR context in all its strands: social resilience, economic and productive sector resilience, and territorial resilience.

The **Climate Transition** dimension comes from Portugal's commitment to the climate targets, which will allow for carbon neutrality by 2050, according to what is established in the Paris Agreement.

Decarbonizing the economy and society offers important opportunities and prepares the country for realities that will be factors of competitiveness in the future.

In the **Digital Transition** dimension, reforms and investments in corporate and State digitalization and the supplying of digital skills are predicted.



COMPONENTES	1. As Pessoas Primeiro: Um melhor equilíbrio demográfico, maior inclusão, menos desigualdade	2. Inovação e Qualificações com motores de desenvolvimento	3. Sustentabilidade dos recursos e transição climática	4. Um País competitivo externamente e coeso internamente
C1. Serviço Nacional de Saúde	✓			
C2. Habitação	✓			
C3. Respostas Sociais	✓			
C4. Cultura		✓		✓
C5. Capitalização e Inovação Empresarial		✓		
C6. Qualificações e Competências		✓		
C7. Infraestruturas				✓
C8. Florestas			✓	
C9. Gestão Hídrica			✓	
C10. Mar			✓	
C11. Descarbonização da Indústria			✓	
C12. Bioeconomia Sustentável			✓	
C13. Eficiência Energética dos Edifícios			✓	
C14. Hidrogénio e Renováveis			✓	
C15. Mobilidade Sustentável			✓	
C16. Empresas 4.0		✓		
C17. Qualidade e Sustentabilidade das Finanças Públicas	✓	✓	✓	✓
C18. Justiça Económica e Ambiente de Negócios		✓		
C19. Administração Pública: Capac. Digit. e Interop.		✓		
C20. Escola Digital		✓		

Figura 4.2.7

Fonte: Alinhamento do PRR com as Agendas da Estratégia Portugal 2030 (PPR, 2020, p. 69)

As mentioned, because it is based on a European agenda aligned with the Sustainable Development Goals, the PRR is essentially aligned with the 2030 Agenda. If we cross the information of Figure 4.2.7 with the identification of the SDGs associated with each thematic agenda of the Portugal 2030 Strategy (cf. Figure 4.2.5 above), one can see it is possible to link the three dimensions of the PRR and respective components to the SDGs. However, the PRR does not directly refer to the SDGs' language, which is considered an opportunity for improvement.

It is important to mention that, as will be clarified below, the Portuguese Court of Auditors, in its report on the State General Account, published in December 2021, also analyses the PRR, concluding that it is not possible to "identify the measures and resources that contribute to the pursuit of the majority of the SDGs" in it.

As still, according to the Portuguese Court of Auditors, "of the 20 areas with foreseen investments, only three – Health, Maritime and Industry, with 14% of

the predicted cost, mention the associated SDGs". A reference is made in the PRR to SDG#3 concerning the Health component, SDG#9 and SDG#14 concerning the Sea component, SDG#7, SDG#12, and SDG#13 in the Industry component.

Such references, however, are limited to identifying the SDGs and the contribution of each of the reforms and investments proposed to achieve the SDGs' targets. The indicators are not specific. There is also no specification in the PRR concerning the SDGs marked as a priority for Portugal in the country's Voluntary National Report (Tribunal de Contas, 2021).

It is also relevant to analyze the articulation between the PRR and the 2030 Agenda to take into account the considerations made by the European Commission in the **"Report on Portugal, which accompanies its recommendations to the Council"** (dated May 2022). The Commission makes suggestions /evaluations about Portugal's 2022 national reforms program in this report. Through this program, it is the Council's responsibility to formulate its opinion about Portugal's

2022 stability program. According to Annex I of the aforementioned “Report on Portugal,” the European Commission concludes that Portugal shows:

A. Good development or progress with the SDGs’ indicators related to environmental and social sustainability – SDG#2, SDG#7, SDG#9, SDG#11, SDG#12, SDG#13:

a. There was a rise in the renewable energy quota in the final gross energy consumption. However, circular economy indicators still represent a problem, with the rate of urban waste recycling decreasing and the rate of use of circular materials at very low levels;

b. Various of the PRR’s measures aim to reinforce the contribution to reducing greenhouse gas emissions, for example, energy efficiency renovations (and combat of energy poverty), an extension of underground lines, an increase in the use of bioproducts in industry and its decarbonization (boost for the production and use of hydrogen and renewable gases, diversifying and decarbonizing the energy mix), adjustment measures in the field of water efficiency and landscape management.

B. Good global development or progress in the economic and social justice indicators - SDG#1, SDG#2, SDG#3, SDG#4, SDG#5, SDG#8, SDG#10:

a. Almost all poverty indicators register a notable improvement in Portugal between 2015 and 2020, with clearly better levels than the European Union average. There was also improvement concerning universities. Inequalities also decreased, but some problems endure: urban-rural gap, disparities concerning citizenship on employment and integration of young people; most health and well-being indicators, although showing improvements, are well below the EU average, especially concerning noise pollution, road fatalities, and obesity rate.

b. The PRR includes measures to advance towards a more equal and healthier

society, such as a reform in several care services, including primary care, palliative, integrated and mental health, public hospital reform, and investments in community-based social services.

C. Progress in the SDG indicators related to productivity – SDG#4, SDG#8, SDG#9:

a. The adult population’s basic digital skills are improving; the Portuguese job market’s performance is relatively good compared to the EU’s average, with a high employment rate and a marked decrease in long-term unemployment; the research and development levels, and innovation levels, while having improved, are still a reason for concern;

b. The PRR includes ambitious measures to improve the connection between companies and universities, increase research and development, and reform professional education and training (including education and training throughout life and aimed at specific social and age groups). These measures can potentially transform the Portuguese business sector and the system of research and innovation (e.g., reforms and investments in sectors such as agriculture, bio-economy, and blue economy).

D. Good development or progress in the indicators related to macroeconomic stability – SDG#8, SDG#16:

a. Portugal is recovering from its delay compared to the EU concerning investment (in GDP %); Public Administration costs with legal courts have progressed in line with the rest of the EU, having had a decrease in the percentage of the population that reports a crime, violence or vandalism;

b. The PRR included measures aimed at modernizing administrative and fiscal courts, as well as measures of simplification of legal procedures.

One can thus conclude that, although the Portuguese

PRR does not use the SDG language and does not establish proper articulation with that program and the 2030 Agenda, there is a palpable alignment between this document and the SDGs.

According to what is also mentioned in the European Commission’s “Report on Portugal,” the European Union’s cohesion policy’s funds already substantially contribute to the SDGs, supporting 11 of the 17 SDGs – being that 93% of the funds contribute to the achievement of these goals (cf. Annex 3 – “Other EU Instruments for Recovery and Growth”).

Notwithstanding, in the [Partnership Agreement](#) signed between Portugal and the European Commission on 14 July 2022, through which the major strategic goals for European fund application between 2021 and 2027 are settled, the 2030 Agenda is only mentioned once, being that one sole SDG is mentioned (and only once) – SDG#12.

Portuguese Court of Auditors – national monitoring

The Portuguese Court of Auditors (Tribunal de Contas) is an important body for the advancing and promoting sustainable development, given its role as auditor of public financial resource mobilization. Thus, the Court of Auditors has a key role in monitoring the pursuance of the SDGs by public entities. This role is connected to the Sustainable Development Goals as a global action strategy that finds challenges and opportunities in different contexts and demands the mobilization of financial resources.

As it is mentioned in the [Court of Auditors’ Strategic Plan for 2020-2022](#), it is this body’s strategic goal for those three years to “Contribute toward the sustainable management of public finances,” seeing as its priority axis “auditing the implementation of the 2030 Agenda for Sustainable Development in Portugal”.

The Court of Auditors has thus evaluated the efficiency of public policies and the pursuit of the various SDGs, assuming that this commitment “implies the adoption of a transversal, systemic, and integrated approach for the audit directed at assessing the implementation of the SDGs” (Plano Estratégico do Tribunal de Contas para 2020-2022, p. 11).



In this sense, the [Opinion on the General State Account](#), published annually by the Court of Auditors, has included, in 2019 and 2020, a chapter dedicated to the 2030 Agenda. However, this chapter has ceased to exist in the most recent [Opinion, referring to 2021](#), and presented to the Portuguese Parliament on 4 October 2022 (in which no mention is made of the 2030 Agenda).

The Opinion referring to 2020 (published in December 2021) indicates that the Opinion on the General State Account of 2018 (published in 2019) included an

assessment of the operationalization of the SDGs in Portugal concerning its coordination, implementation, monitoring, and review structure, as well as financial resources allocated by programs and sectorial policy measures.

Concerning 2019, the Court of Auditors highlighted as positive aspects: 1) the existence of a political commitment, 2) the existence of an institutional model for the implementation of the SDGs, and 3) a regular disclosure of indicators by the national statistics body (Instituto Nacional de Estatística – INE).

Despite the steps taken towards creating conditions to implement the SDGs, the Court of Auditors concluded that some shortcomings remain, such as 1) the lack of a concrete strategy and plans for the implementation of the 2030 Agenda (Tribunal de Contas, 2021), as well as 2) other shortcomings concerning financial resources, the monitoring of the contribution of measures and policies for the SDGs, and the informing and reporting on the evolution of progress on the SDGs.

In their Opinion referring to 2020, the Court of Auditors also provides some interesting conclusions:

- The financial resources allocated to implementing the SDGs have not yet been quantified (not estimated nor executed).
- No systems for the evaluation of results have been developed concerning the implementation and monitoring of the goals which would allow the systematic accompaniment and review of the 2030 Agenda, namely the evaluation of adopted policies, the identification of shortcomings, and the disclosure of achieved results.
- The monitoring of the implementation of the SDGs is only made on a statistical level, through the analysis of applicable UN indicators, there not being any specific national targets and indicators nor qualitative monitoring of the effective contribution of the measures and policies for the SDGs.
- The presentation of periodical public reports

concerning the progress of the implementation of the SDGs on a national level has been limited to the Voluntary National Report.

The Court of Auditors recommended that the Government “assures the inclusion of the SDGs in the guiding documents of public policy, to reinforce the commitment to these goals and allow a qualitative monitoring of the contribution of these measures and policies, as well as in the documents of budgetary procedure, identifying the financial resources linked to their implementation.”

Evaluation of the consideration made of the 2030 Agenda in the countries’ strategic documents

Considering the analysis of Portugal’s main strategic documents for 2020-2030, one can conclude that they do not use the SDG language. These documents are not expressly related nor seek to directly evidence their contribution to the Sustainable Development Goals.

However, materially, the priorities assumed in the strategies defined for Portugal are guided, in spirit and content, by the Sustainable Development guidelines translated into the SDGs, seeking development and the country’s social, economic, and environmental progress.

This alignment is mainly drawn from the political orientation coming from the European Union, making it possible to associate the desired transformations and the Government’s strategic areas of intervention with the global goals and target for 2030. This reality reveals the good positioning and ability of the country to draw its strategic plans in alignment with the implementation of the 2030 Agenda. However, Portugal would benefit from making this alignment evident.

State of the art: Portugal’s position in the implementation of the 2030 Agenda

Having analyzed the priorities defined by Portugal in its strategic documents in the light of the SDGs’ “lens,” it is also important to assess how the country positions itself according to the most recent reports that monitor the state of implementation of the 2030 Agenda in different countries. It is important to ascertain how Portugal compares with other countries to understand which aspects of the country stand out and identify the aspects in which an opportunity for progress exists.

The implementation of the SDGs in Portugal has been challenging since 2017, when the strategic SDGs for the country were defined and the first VNR was officially launched. Since then, Portugal’s evolution and position in this Agenda have been positive, but there is still a long road to improvement. In this direction, the main conclusions made by the evaluating entities, on an international, European, and national level, point. Hence, different documents were analyzed to assess Portugal’s relative position in Europe and the Globe concerning the SDGs.



The [Sustainable Development Report 2022](#) (SDG Index 2022) reports the countries’ performance and progress in the 2030 Agenda. It identifies the SDGs that, for each country, present greater challenges and those in which the countries are better positioned, as well as progress trends of each indicator. The trend indicator shows that an SDG can be a great challenge to a country but still show improvement trends (see section 4.1).

In its last published report, referring to 2022, Portugal is ranked in 20th place among 163 countries evaluated, being among the 12% of best-positioned countries. Despite some adjustments introduced into the indicators and methodology followed in 2022, **it is important to highlight that between 2021 and 2022, Portugal progressed from 27th to 20th place on the global ranking, above the average of OECD countries.**

The countries leading the ranking are, in the first place, Finland, followed by Denmark and Sweden; the three EU state members with the worst score are Lithuania, Bulgaria, and Cyprus, respectively, according to Figure 4.2.8.

(A) Sustainable Development Report 2022

Countries' ranking in 2022

Rank	Country	Score	Rank	Country	Score
1	Finland	86.5	42	Bulgaria	74.3
2	Denmark	85.6	43	Cyprus	74.2
3	Sweden	85.2	44	Thailand	74.1
4	Norway	82.3	45	Russian Federation	74.1
5	Austria	82.3	46	Moldova	73.9
6	Germany	82.2	47	Costa Rica	73.8
7	France	81.2	48	Kyrgyz Republic	73.7
8	Switzerland	80.8	49	Israel	73.5
9	Ireland	80.7	50	Azerbaijan	73.5
10	Estonia	80.6	51	Georgia	73.4
11	United Kingdom	80.6	52	Fiji	72.9
12	Poland	80.5	53	Brazil	72.8
13	Czech Republic	80.5	54	Argentina	72.8
14	Latvia	80.3	55	Vietnam	72.8
15	Slovenia	80.0	56	China	72.4
16	Spain	79.9	57	North Macedonia	72.3
17	Netherlands	79.9	58	Peru	71.9
18	Belgium	79.7	59	Bosnia and Herzegovina	71.7
19	Japan	79.6	60	Singapore	71.7
20	Portugal	79.2	61	Albania	71.6
21	Hungary	79.0	62	Suriname	71.6
22	Iceland	78.9	63	Ecuador	71.5
23	Croatia	78.8	64	Algeria	71.5
24	Slovak Republic	78.7	65	Kazakhstan	71.1
25	Italy	78.3	66	Armenia	71.1
26	New Zealand	78.3	67	Maldives	71.0
27	Korea, Rep.	77.9	68	Dominican Republic	70.8
28	Chile	77.8	69	Tunisia	70.7
29	Canada	77.7	70	Bhutan	70.5
30	Romania	77.7	71	Turkey	70.4
31	Uruguay	77.0	72	Malaysia	70.4
32	Greece	76.8	73	Barbados	70.3
33	Malta	76.8	74	Mexico	70.2
34	Belarus	76.0	75	Colombia	70.1
35	Serbia	75.9	76	Sri Lanka	70.0
36	Luxembourg	75.7	77	Uzbekistan	69.9
37	Ukraine	75.7	78	Tajikistan	69.7
38	Australia	75.6	79	El Salvador	69.6
39	Lithuania	75.4	80	Jordan	69.4
40	Cuba	74.7	81	Oman	69.2
41	United States	74.6	82	Indonesia	69.2

Figure 4.2.8

Source: SDG Index (2022)

Figure 4.2.9 below translated Portugal's performance relative to each SDG, comparing 2021 and 2022.



Source: SDG Index (2021)

Source: SDG Index (2022)

Figure 4.2.9

It is important to note that, according to the SDG Index (2021), Portugal's "great challenges" were connected to SDG#2, SDG#13, SDG#14, and SDG#15. The SDG Index (2022) highlights the need for significant improvements in SDG#6, SDG#13, and SDG#15 (there still is a positive evolution in the performance of the last two between 2021 and 2022) and shows remaining gaps. It also emphasizes the need for improvement in SDG#2, SDG#12, and SDG#14, which have negative performance, and trends either negative (SDG#14) to moderately positive (SDG#2) or stalled (SDG#12).

In 2022, Portugal's greatest challenges were, therefore, focused on SDG#2, SDG#12, and SDG#14; noteworthy, the data used to analyze SDG#2 in 2022 were the same as in 2021. In that way, the lack of progress which leads to a negative evaluation, is a consequence of the lack of updated information.

Keeping in mind the SDGs defined by Portugal as strategic in the VNR of 2017 – SDG#4, SDG#5, SDG#9, SDG#10, SDG#13, and SDG#14, besides what was already mentioned above about SDG#13 and SDG#14, the following must be pointed out:

Portugal maintains the same performance as far as SDG#5 is concerned (with a tendency to evolve

positively), and concerning SDG#4, it has stalled, in contrast with the positive trend experienced back in 2021. In 2022, SDG#9 shows a positive trend. There was also improvement in SDG#10, with its moderately positive trend remaining. The SDG which most stands out as being the one in which Portugal shows the greatest performance and trend is clearly, SDG#7.

Also concerning SDG#1, SDG#5, and SDG#6, although Portugal still presents a performance with various challenges to be overcome, it is clearly on a positive track since 2021 (a positive trend which, in SDG#16's case, only came up in the SDG Index (2022)).

In SDG#3 and SDG#11, Portugal maintained its performance (there still being challenges to overcome) and its tendency for moderate improvement. SDG#6 downgraded its performance between 2021 and 2022, claiming significant improvements (although showing a positive trend). Concerning SDG#8, although it maintains a trend of improvement, Portugal has slowed down on that path, still showing some challenges concerning performance. In SDG#17, there was no change between 2021 and 2022, with Portugal still showing some significant challenges concerning performance and a moderately positive trend.

In addition, it is also interesting to consider Portugal's position compared to the average performance of OECD countries, which the SDG Index (2022) also reports on. From that point of view – and considering Figure 4.2.9 above and Figure 4.2.10 below -Portugal is:

- better in SDG#7, SDG#10, SDG#13, SDG#15, and SDG#16, with a tendency towards more improvement in SDG#5;
- worse in SDG#1, SDG#2, SDG# 4, SDG#6, SDG#9, SDG#12 and SDG#17.

In SDG#14, Portugal has a bad performance (as the average of the OECD) but tends to worsen compared to the OECD average.

OECD countries' performance on the SDG Index (2022)



Figure 4.2.10
Source: SDG Index (2022)

(B) Europe Sustainable Development Report 2021

As has been seen, besides the global sustainable development report, reports on a regional level are also published. Being now important to analyze what arises from the last published report referring to Europe, from December 2021.

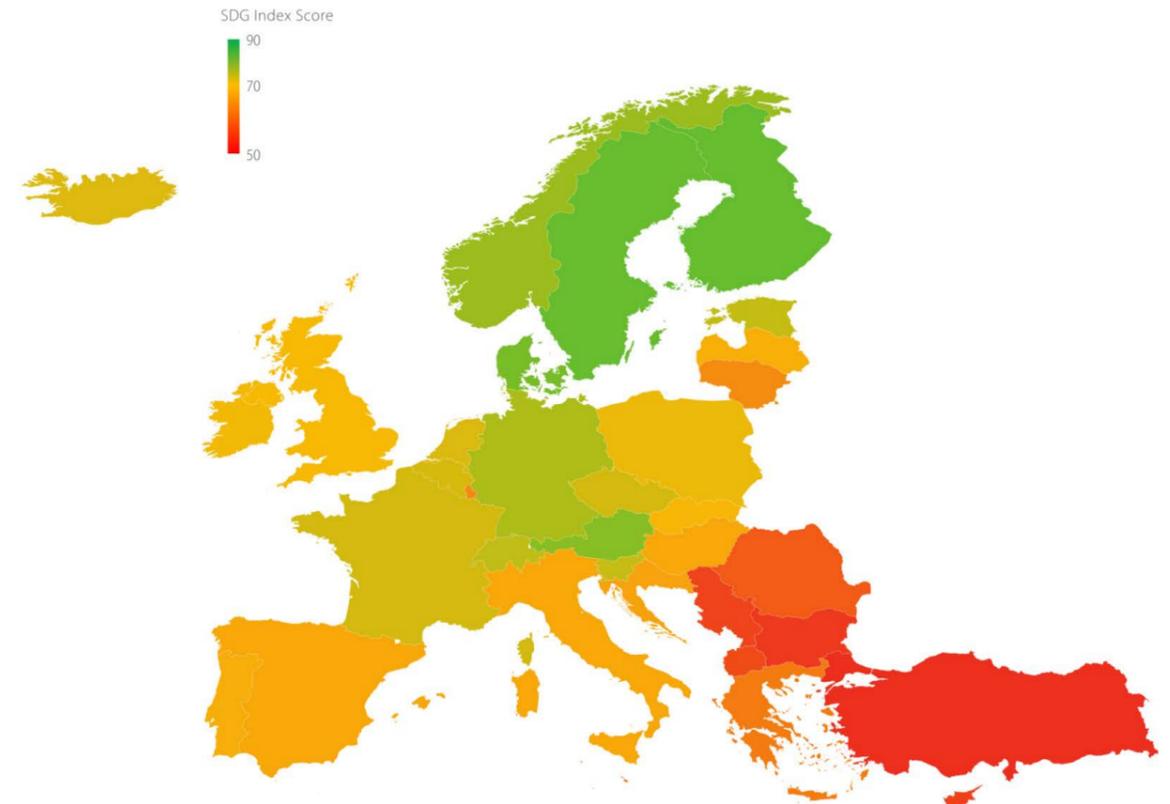
It must be remembered that, similarly to the SDG Index (2022) global report, the *Europe Sustainable Development Report 2021 (ESDR, 2021)* identifies the SDGs that, for each country, represent the greatest challenges and those in which the countries are best positioned, as well as the progress trends of each indicator.



According to this report, Portugal is in 20th place among the 34 countries evaluated (27 European Union State Members, to which are added Norway, Switzerland, Iceland, United Kingdom, North Macedonia, Serbia, and Türkiye)

European countries' ranking on the ESDR (2021)

Figure 1.7 | 2021 SDG Index Scores and Rankings by country and subregions



SDG Index Rank	Country	SDG Index Score
1	Finland	80.8
2	Sweden	80.6
3	Denmark	79.3
4	Austria	78.0
5	Norway	76.7
6	Germany	75.3
7	Switzerland	74.0
8	Estonia	73.7
9	Slovenia	73.5
10	France	72.7
11	Czech Republic	72.6
12	Belgium	72.5
13	Netherlands	72.1
14	Iceland	72.1
15	Poland	71.0
16	Ireland	70.6
17	United Kingdom	70.2
18	Slovak Republic	70.0
19	Latvia	69.3
20	Portugal	69.1
21	Hungary	68.5
22	Spain	68.5
23	Italy	68.5
24	Croatia	68.0
25	Lithuania	66.1
26	Luxembourg	65.8
27	Greece	64.8
28	Malta	63.6
29	Romania	61.6
30	North Macedonia	59.9
31	Serbia	59.3
32	Cyprus	58.6
33	Bulgaria	57.6
34	Türkiye	55.7
European Union		71.4
Northern Europe		80.6
EFTA Countries		75.1
Western Europe		74.0
Baltic States		69.3
Southern Europe		68.3
Central and Eastern Europe		68.0
Candidate Countries		55.3
Albania		NA
Bosnia and Herzegovina		NA
Liechtenstein		NA
Montenegro		NA

Figure 4.2.11
Source: ESDR (2021)

The countries leading the ranking are, in the first place, Finland, followed by Sweden and then Denmark; the three EU Member States with the worst score are Romania, followed by Cyprus, and, in last place, Bulgaria.

Figure 4.2.12 translates Portugal's performance for each SDG in 2021, according to the ESDR (2021). The color caption of colored squares and arrows is the same as the one described above for the SDG Index (2022).



Figure 4.2.12
Source: ESDR (2021)

Comparing these results for Portugal in the ESDR (2021) with the ones reported in the SDG Index (2021) and then the SDG Index (2022) (Figure 4.2.9 above), followed by a chronological sequence of the three reports, allows one to draw interesting conclusions about Portugal's position concerning the 17 SDGs:

Portugal improved in the following SDGs

- SDG#7** (although the performance remains stable when compared with the SDG Index (2021) and the SDG Index (2022), it improved compared to the performance and trend reported in the ESDR (2021))
- SDG#11** (although the performance remains stable when compared to the SDG Index (2021) and the SDG Index (2022), it has improved compared to the performance reported in the ESDR (2021))
- SDG#13** (showing a progressive improvement throughout the three reports being compared)
- SDG#15** (showing a progressive improvement throughout the three reports being compared)

SDG#16 (which, although having worsened when compared to the SDG Index (2021) and the ESDR (2021), has improved in trend on the SDG Index (2022) compared to the other two)

On the other hand, Portugal's performance worsened in the following SDGs:

- SDG#2** (although the performance remains stable if only compared to the SDG Index (2021) and SDG Index (2022), it has worsened when comparing the SDG Index (2022) with the ESDR (2021))
- SDG#4** (which, although it kept its performance, presented a trend toward stagnation in the SDG Index (2022))
- SDG#6** (which, although maintaining a tendency to improve, has worsened its performance in the SDG Index (2022) compared to the two 2021 reports)
- SDG#8** (although the performance and trend are maintained between the ESDR (2021) and the SDG Index (2022), the trend worsened compared to the SDG Index (2021))

SDG#12 (in which Portugal receded in the SDG Index (2022))

SDG#14 (in which Portugal's performance not only is shown as negative, as well as, despite a tendency toward stagnation in the ESDR (2021), showing an also negative tendency in the SDG Index (2022))

The SDGs in which Portugal kept its position, whether in terms of performance or trends, are the following:

- SDG#1**
- SDG#3**
- SDG#5**
- SDG#17**

With SDG#9, Portugal maintained its performance, although it has progressed positively concerning the trend presented by this SDG, which is now of improvement.

With SDG#10, although Portugal's performance has improved from the SDG Index (2021) to the SDG Index (2022), it has worsened when compared the latter

with the ESDR (2021).

It is also interesting to note that, except for SDG#9, SDG#11, SDG#15, and SDG#16 (in which Portugal presents either a worse performance or a worse trend), Portugal compares positively with the European Union's average (ascertained in the ESDR (2021)) as far as the other SDGs are concerned – as it results from the comparison of the country's performance and trends framework (see Figure 4.2.12 above) with the corresponding framework about the European Union, as follow:

European Union's performance in the ESDR (2021)

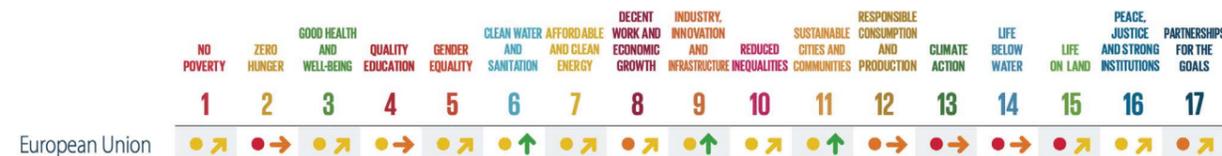


Figure 4.2.13
Source: ESDR (2021)

It arises from the aggregated analysis of the SDG Index (2021), SDG Index (2022), and ESDR (2021) reports which Portugal shows a positive evolution, especially in SDG#13 and SDG#15, but also in SDG#7, SDG#11, and SDG#16. It must be highlighted that only SDG#13 was defined by Portugal as strategic in its VNR of 2017.

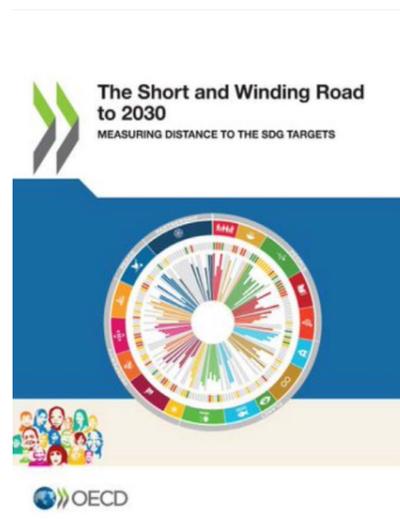
Portugal must develop efforts to improve in SDG#2, SDG#6, SDG#12, and SDG#14, but also in SDG#4, SDG#8, SDG#9, and SDG#10, in which the country's

performance and the trend must show clearer improvements. It must be remembered that of these, SDG#4, SDG#9, SDG#10, and SDG#14 were defined as strategic for Portugal.

Portugal must also not stop promoting the improvement in SDG#1, SDG#3, SDG#5 (strategic SDG for Portugal), and SDG#17, where it has stalled in terms of performance and trend.

The country must, then, consider all these aspects in the context of drafting a new VNR, which it aims to present to the UN in 2023. It can take this opportunity to describe the current situation in which it finds itself relative to each SDG and define strategies and measures to promote and implement them.

(C) The Short and Winding Road to 2030 – Measuring Distance to the SDG Targets – OECD 2022



The OECD report may find [The Short and Winding Road to 2030 - Measuring Distance to the SDG Targets - OCDE 2022](#) the [specific analysis referring to Portugal](#). Based on this piece of literature, evidence shows that the country has reached 20 of the 129 goals relative to which it shows data (especially targets relative to SDG#3 and SDG#16) – given that the report does not fail to highlight that, as compared to many OECD countries, there is a lack of data referring to Portugal (there is only data referring to 129 of the 169 targets). The SDGs with the most missing data is SDG#11, SDG#13, and SDG#14; the OECD also highlights an unequal performance between the 17 SDGs.

Portugal shows a better performance in the following aspects:

- Many targets met or close to being met in health

issues

- Law promotes gender equality, but there is still a wage gap (although the data considered refers to 1999)
- Relatively low water catchment levels, but there is a margin for improving water efficiency
- Growing production of renewable energies
- Energy efficiency above OECD average
- Progress concerning the inclusion of ethnic and racial minorities and migration policies
- Good air quality in cities
- Recycling and composting are improving, but recovery of material is below average, and food waste high

As greater challenges for Portugal, the OECD report being considered highlights the following:

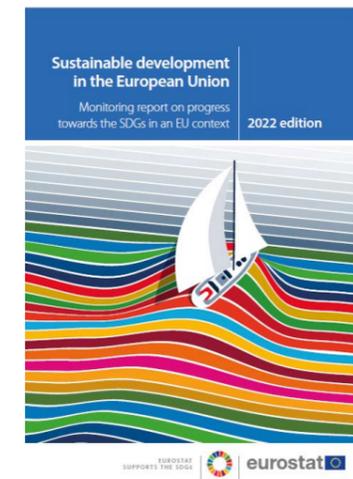
- Greater challenges and high cost of access to health services for vulnerable groups, and high levels of obesity, alcohol, and tobacco consumption are still strong causes of death and morbidity
- Low levels of protection of the ecosystems related to water
- Slow economic growth | low productivity | low salaries (hourly work rate is half the OECD average), although unemployment levels have gone down and are below the OECD average
- Land use: urbanized areas are growing faster than the population
- A gap the monitoring the economic and environmental impact of tourism
- Considerable challenges related to responsible consumption and production, namely concerning

dangerous chemical waste

- 1/3 of soil degraded (in 2015) – the second highest figure in OECD countries, after Mexico | significant loss of biodiversity
- Less than half of the population trusts the judicial system
- Low financial aid for development

(D) Sustainable Development in the European Union - Monitoring report on progress towards the SDGs in an EU context - EUROSTAT 2022

The annual EUROSTAT report monitors, from a quantitative perspective, the European Union's progress in achieving the 2030 Agenda based on the specific group of indicators officially selected from the United Nations' global list of indicators. The selected indicators are most relevant and suited to the European context and are, therefore, not exactly coincidental with the global indicators. However, they allow better progress monitoring, considering particularly relevant European phenomena and the EU's long-term policies.



According to the [Sustainable Development in the European Union - Monitoring report on progress towards the SDGs in an EU context](#) (Report EUROSTAT 2022), Portugal's situation (taking its evolution of the last 5 years into account) is reflected in the graph below:

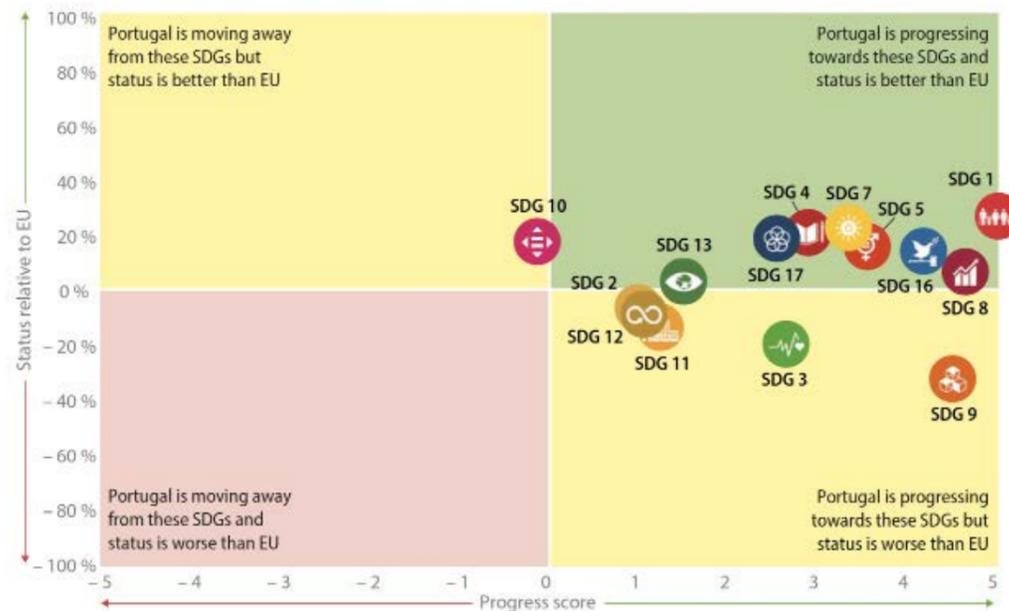


Figure 4.2.14

Source: Report EUROSTAT (2022)



In the 2022 report, 163 indicators were analyzed (11 more than in the 2021 version). These indicators were compared to the previous year (2020 vs. 2021) and 2015 vs. 2021.

1. Comparison between 2015 and 2021

- 55% of the indicators had a positive evolution
- 17% presented an unfavorable evolution
- 3% registered no alterations
- 25% have no information

The SDGs, except SDG#5, SDG#12, SDG#14, and SDG#15, presented favorable progress or reached their goal in 50% or more of the indicators.

Only in SDG#12 was a majority of indicators with unfavorable evolution observed. The internal consumption of materials per unit of the GDP presents an unfavorable evolution, rising in 2020 compared to 2015. It must be noted that this result has a significant reduction in the GDP in 2020 and the change of its composition due to the pandemic associated with it. The dangerous sectorial waste per capita and the material footprint presented an unfavorable evolution compared to 2015. However, it must be noted that a favorable trend in the proportion of urban waste for reuse and recycling was observed. It is also worth highlighting that SDG#12 is the only one with less than 40% of available indicators.

2. Comparison between 2020 and 2021

- 40% of the indicators had a positive evolution
- 22% presented an unfavorable evolution
- 7% registered no alterations
- 31% have no information

SDG#3, SDG#6, SDG#7, and SDG#11 presented a favorable evolution in at least 50% of the evaluated indicators:

In SDG#1 and SDG#2, the number of indicators with an unfavorable evolution topped the indicators with a favorable evolution.

- The indicators are chosen according to the following:
- Relevancy concerning target or SDG;
- Relevance in a national context;
- Currentness of information;
- Analytic relevance;
- Preference for new indicators and with new information compared to the previous publication (last one in 2021);
- A balanced number of indicators for the 17 goals.

It must be noted that the indicators may have various interpretations according to the target or goal to which they are related and which they aim to monitor. For example, the GDP's growth positively impacts the economy and SDG#8 but may negatively impact the environmental SDGs. The same happens with SDG#9: the rise in the number of passengers in road and air travel may be considered favorable concerning the country's infrastructure (SDG#11) but may have an impact considered to be negative in an environmental SDG, such as SDG#13. Therefore, an objective interpretation of the indicators must be "made in light of the target/goal in which they are placed, which should ideally make clear the desired-for way of the respective evolution" (p. 14, INE, 2022).

(E) 2030 Agenda: Indicators for Portugal 2015/2021 - INE

Portugal also keeps up with the performance of its SDG indicators through the work of Statistics Portugal (INE – Instituto Nacional de Estatística). This body is responsible for the statistical accompaniment of the 2030 Agenda and for updating Portugal's set of indicators. It, therefore, has a key role in monitoring the achieved progress in fulfilling the 2030 Agenda.

In its fifth and most recent report, "Agenda 2030 - Indicators for Sustainable Development Goals (SDGs) for Portugal 2015/2021", of 3 June 2022, the INE analyzes 163 indicators of a multidisciplinary nature (from a total of 248), of which 42 are selected for a more detailed evaluation. It must be highlighted that it is the most recent report analyzed in this work on the Portuguese context.

From this graph arises the fact that, relative to an enlarged group of SDGs, Portugal is well positioned, having positive progress above the EU in SDG#1, SDG#4, SDG#5, SDG#7, SDG#8, SDG#13, SDG#16, and SDG#17.

Continuing in a positive trajectory, although lower than the European one, are SDG#2, SDG#3, SDG#9, SDG#11, and SDG#12.

From the SDG presented, the one in which Portugal shows the worst performance, going slightly off-path – although still in a better way than the EU – is SDG#10.

It must be highlighted that there is no reference to Portugal's position referring to SDG#6, SDG#14, or SDG#15 for lack of available data.

Disponibilidade de indicadores ODS para Portugal



OBJETIVOS DE DESENVOLVIMENTO SUSTENTÁVEL



Figure 4.2.15
Source: INE (2022)

Concerning SDG#1, it is important to note that the at-risk-of-poverty rate, which had come to decrease, increased in 2020. According to the INE, they arise to refer to the COVID-19 pandemic, which is not entirely reflected in the various indicators. However, this year's observed rate was still inferior to the one registered in 2015.

As for SDG#2, the trends are favorable regarding food safety but unfavorable regarding the obesity rates and the anomaly indicator for food prices, which decayed in 2020.

Concerning the strategic SDGs for Portugal in terms of the VNR of 2017 (SDG#4, SDG#5, SDG#9, SDG#10, SDG#13, and SDG#14), it is important to note the following:

- SDG#4 shows a majority of favorable indicators, with a rise in the completion rate for primary and secondary school education, besides the schooling rate at 5 years of age. However, the trends have been less favorable for the results and educational skills in some areas (such as reading proficiency). The amount of public support for grants has also risen compared to 2015; however, a significant reduction was noted between 2019 and 2020, possibly related to the pandemic and its impact on travel.
- SDG#5 presents a mainly favorable framework, although the gender situation remains far from equal. In 2022, more women were elected to the National Assembly than in 2015 (although a decrease has been noted in the 2022 elections compared to 2019), but fewer female mayors, comparing the 2021 and 2017 elections. The proportion of women in management positions has also risen, including in public administration.
- Although SDG#9 has a majority of indicators with favorable evolution, it still has a great proportion of negative results over the total evaluated indicators. It faces challenges concerning the increased amount of industrial micro-companies in the country's economy and in the expenditure

being looked at's proportion and the GDP's development (which has risen, although it is still far from the 3% rise goal of the GDP's rising to 3%).

- The indicators relative to SDG#10 are also generally favorable, as the average income has risen since 2015 (although it has decreased between 2019 and 2020 for the 40% of the population with fewer resources). The income inequality of the fiscal policy presented an unfavorable trend, and, in terms of financial strength, the trend was generally positive, having the bad loans decreasing. Concerning migration policies, Portugal has improved, having adopted policies that ease migration and people's mobility in an ordered, safe, regular, and responsible way. Direct foreign investment changed from having a positive balance in 2015-2019 to a negative balance in 2020, which worsened in 2021.
- Referring to SDG#13, Portugal shows favorable progress, although more progress is necessary to keep the goal of reducing greenhouse gas emissions by 55% (compared to 2005) by 2030.
- Lastly, concerning SDG#14, the available data still has a limited scope, thus conditioning its global evaluation. In terms of implementing international instruments aimed at fighting illegal, undeclared, and unregulated fishing, Portugal has a maximum score; however, the proportion of investment in research and development in marine technology has come to decrease in the total of investments in products of intellectual property.

As the INE points out, the lack of information relative to 34% of the indicators is mostly due to a lack of some methodological developments, still being debated on an international scale, and in other cases, there is no adequate information available, or still, in others, the indicators have no relevance to Portugal. The SDGs in which there is a lack of information and, therefore, difficulty in understanding the respective progress is mostly SDG#3, SDG#4, SDG#5, and SDG#15 (for 2015-2021), and SDG#2, SDG#3, SDG#4, SDG#5,

SDG#15, and SDG#16 (concerning the evolution of 2020 to 2021).

The INE also alerts us to the fact that in the reference period of the publication (2015-2021), the possible impact of the conflict in Ukraine on the SDGs' progress may not be reflected, noting that it is expected that it may have implications on the fulfillment of the 2030 Agenda on a global, regional, and national scale. Its consequences will most likely be particularly marked in Europe and indicators related to migration, energy, income, economic growth, inflation, and inequalities.

Taking this report's analysis into account, and without prejudice of the evaluation made having to be updated opportunely in the face of new data which may become available on the current situation, one can conclude that Portugal is ahead on SDG#4, SDG#6, SDG#7, SDG#17 (considering the evolution of 2015-2021). Mainly needed to work on SDG#1 and SDG#2 and on the improvement (of information and implementation) concerning the SDGs, which it elected as strategic in its VNR.

Conclusions about Portugal's position in the implementation of the 2030 Agenda

Foreestablishing Portugal's position in the implementation of the 2030 Agenda, a comprehensive analysis of the information was made from the reports produced on various scales – international, European, and national – analyzed above to achieve a holistic analysis.

The different reports evaluate the performance and trend of the countries about the indicators defined for each target of each one of the SDGs; however, the indicators being considered may vary – and effectively do – from report to report, which makes it possible that the analysis' suppositions may not always be directly or totally comparable. Even so, the comparison was made.

From this analysis comes a first conclusion: it is necessary to reinforce the importance of the prioritization and specific use of the targets and sustainable development indicators. The importance of accompanying these indicators' progress to map out the development of these public policies is also clear, and it is shown, in addition, the great opportunity Portugal has of aligning itself with the 2030 Agenda through the adoption of the SDG language in all strategic documents of the country.

Main challenges of implementing the SDGs in Portugal

Taking the analysis into account, Portugal still faces some challenges in implementing the 2030 Agenda in the country, which should be considered in the context of drafting the new VNR, which Portugal committed to present to the UN. Of these challenges, the following stand out:

- 1. Linguistic challenge** – the country's strategic documents do not adopt the universal SDG language although, materially, the assumed priorities are guided by the Sustainable Development guidelines in spirit and content. It is then possible to associate the strategic guidelines set by the Government with the global goals and targets of the 2030 Agenda.
- 2. Alignment between Governmental goals and political challenge** – the lack of a strategy and specific plans by each ministry to contribute effectively toward the SDG measures and policies that prioritize them in the face of the country's reality and the SDGs defined in the Portuguese VNR as priorities.
- 3. Monitoring challenge: defining specific targets and indicators** for the national reality – the Court of Auditors points out this challenge as being important; Portugal monitors some SDG indicators but still faces the challenge of establishing specific and monitorable national targets and indicators over time, systematically and transparently, which allows the accompaniment and revision of the 2030 Agenda.
- 4. Monitoring challenge: qualitative evaluation** – the monitoring of the SDG implementation is only made on a statistical level, upon applicable indicator analysis by the United Nations: there is no qualitative measure of the effective contribution of the measures and policies for the SDGs.
- 5. Financial and transparency challenge** – the financial resources allocated to implementing the SDGs have not yet been quantified nor estimated, and even less the performed ones. What does this mean? The State and public fund's financial resources are not necessarily aligned with the SDG's strategic priorities for the country.
- 6. International reporting and commitment challenge** – the presentation of official and periodical public reports on the progress of the implementation of the SDGs on a national level was limited to the Voluntary National Report of 2017. There is, therefore, the opportunity for its updating.
- 7. Cooperation and application of the 2030 Agenda in its cooperation component challenge** – the SDGs will not be fulfillable without partnerships between the public and private sectors and civil



society. In this sense, the public ambitions of prioritization the fulfillment of the 2030 Agenda in Portugal should come from concrete planning of the areas and ways in which these partnerships can be exponential, promoting dialogue and seeking synergies between the various sectors under the auspices and language of the SDGs.

- 8. Circumstantial challenges** – the economic and social impacts the war in Ukraine is having and will have on Portugal are yet to be determined. However, some consider that the indirect effects may be significant, especially in energy, agricultural products, certain raw materials such as metals, and products such as construction and automobile components.
- 9. Concrete challenges in the SDGs** – by way of balance in the face of the analyzed reports, one can conclude that Portugal has made progress in all SDGs, despite still facing a set of challenges, of which the following stand out:

a. SDG#2 – ZeroHunger, with a continued improvement trend concerning food safety. However, there are unfavorable indicators concerning the obesity rates and the anomaly indicator in food prices, which decayed in 2020.

b. SDG#12 – Responsible Consumption and Production, with an unfavorable trend, showing many challenges concerning responsible consumption and production, namely in dangerous chemical waste management, including electric and electronic equipment waste, also having a very negative performance in exporting plastic waste. Although there are improvements in recycling and composting, these are still not yet satisfactory, and challenges concerning material recovery and combating food waste have come forward. The challenges are great on a circular economy level, with a low percentage of circular material use; there is also a negative trend concerning emissions of some polluting parameters such as sulfur

dioxide (SO₂).

c. SDG#13 – Climate Action (SDG defined as strategic for Portugal), with a trend of continuous improvement. Portugal shows favorable progress, although the INE has concluded that further progress will be necessary to reach the goal of reducing greenhouse gas emissions by 55% (compared to 2005) by 2030. The level of emissions incorporated into the imports is high and presents a negative trend.

d. SDG#14 – Life Below Water(SDG defined as strategic for Portugal), with a negative trend. A lot of data is missing regarding the indicators related to this SDG (OECD 2022 and EUROSTAT 2022 reports). Concerning the known data, although there is good performance concerning the combating of illegal, undeclared, and unregulated fishing (INE) and the quality of bathing waters, Portugal's performance is not only shown as negative, as, despite a trend of stagnancy in the ESDR (2021), it presents in the SDG Index (2022), a negative trend (similar to what happened in the SDG Index (2021)). Among the existing problems in SDG#14, negative performances and trends concerning the protection of biodiversity in marine areas, the quality and cleaning of ocean waters, overfishing, and the discarding of fish stand out. Additionally, the proportion of investment in research and development of marine technology in the total investment in intellectual property products has decreased.

e. SDG#15 – Life on Land, with a negative trend. Concerning this SDG, it is also noteworthy that there is missing data, despite it still be possible to assess a significant loss of biodiversity and high rates of degraded land.

As for the remaining SDGs defined as strategic for Portugal in the 2017 VNR – SDGs #4, #5, #9, #10, #13, and #14 - besides what was already mentioned, the following must be noted:

- **SDG#4 – Quality Education**, with a favorable trend. The completion rates for primary and secondary school and university have risen; however, there are some challenges, especially concerning lifelong learning and educational skills (reading and sciences). According to the INE, the amount of public support for grants has risen compared to 2015, having, however, noted a significant reduction between 2019 and 2020, possibly related to the pandemic and its impact on travel.
- **SDG#5 – Gender Equality**, with a favorable trend. The law promotes gender equality, but there are still wage gaps, and the gender situation remains far from equal.
- **SDG#9 – Industry, Innovation, and Infrastructure**, with a favorable trend; however, it still presents many challenges concerning research and development but shows a positive performance and trend concerning the amount of scientific and academic articles published. Although with a positive trend, the basic digital skills of people over 55 are still at a low-performance level. According to the INE, there are still challenges concerning the added value of industrial micro-companies in the country's economy and the proportion of GDP expenditure on research and development. The situation remains far from the average of the European Union.
- **SDG#10 – Reduced Inequalities**, with a favorable trend: according to the INE, the average income has risen since 2015 (although it went down between 2019 and 2020 for the 40% of the population with fewer resources). Income inequalities also decreased until 2019 but strengthened in 2020. The trend is not positive concerning the percentage of poverty in the elderly population. Progress can be seen in terms of financial solidity (with a reduction of bad loans) and the inclusion of ethnic and racial minorities and migration policies.

Concerning the remaining SDGs, the following must be considered:

- **SDG#1 – NoPoverty**, with a generally favorable

performance but showing, more recently, indicators with an unfavorable evolution. The at-risk-of-poverty rate, although it has come to decrease, rose in 2020, and the effects of the pandemic on the performance of the various indicators are yet to be determined.

- **SDG#3 – Good Health and Well-being**: with a favorable trend, although it must be noted that the majority of the health and well-being indicators, although showing improvements, is far from the EU average, especially concerning noise pollution, road deaths, alcohol and tobacco consumption, and obesity rate. There is also an insight that health condition varies depending on the population's income levels.
- **SDG#6 – Clean Water and Sanitation**, although it maintains a positive trend and of improvement, has worsened its performance on the SDG Index (2022) compared to the two 2021 reports. There are also challenges concerning the accounting and performance of the water footprint of Portuguese imports.
- **SDG#7 – Affordable and Clean Energy**, with a good performance and favorable trend. There was a rise in the renewable energy quota of final gross energy consumption, and its production is growing, even though Portugal does not yet fully take advantage of all its potential concerning renewable energies, representing an opportunity. There is, in addition, also positive data concerning energetic efficiency, although some challenges concerning indoor thermal performance.
- **SDG#8 – Decent Work and Economic Growth**, with a favorable trend, with a high employment rate, and a sharp decrease in long-term unemployment; however, differences related to citizenship in terms of employment remain, youth unemployment is still high, problems related to productivity and wages endure, as well as related to the effectiveness of employment rights. There are persistent macroeconomic imbalances (high external debt, both public and private, in the context of low productivity growth).
- **SDG#11 – Sustainable Cities and Communities**, with a favorable trend. The existence of good air quality in cities and prospects of improvement

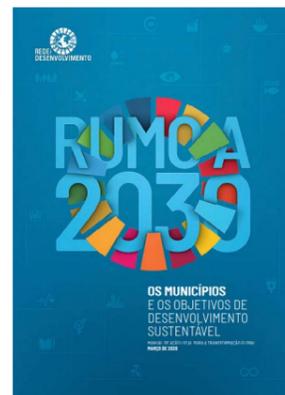
related to the supply of public transport can generally be seen. However, related to land use, the urbanized area grows faster than the population, while a gap in monitoring the economic and environmental impact of tourism can also be seen. Although it is still far from what is necessary, an aiming improvement in the urban population's access to green spaces can be verified. The challenges are also great concerning recycling urban waste, which presents an unfavorable trend.

- **SDG#16** – Peace, Justice, and Strong Institutions, with a favorable trend, although it is important to note that less than half of the population trusts the judicial system and that administrative procedures are more time-consuming than was predicted.
- **SDG#17** – Partnerships for the Goals, with a favorable trend but low financial assistance for development.

Manual of Local Action for Global Transformation

Also related to policies and local actions, considering the SDGs is crucial. In Portugal, the **ODSlocal** Platform is highlighted – a network of municipalities, people, and stakeholders, created in 2020, which aims at stimulating a movement of ample and open sustainability, and which has as a reference the 2030 Agenda. This platform is adapted so that its targets are suitable to the Portuguese municipalities' reality. The ODSlocal Platform aims to monitor the municipalities' evolution related to various SDG targets through progress indicators built from information from national and the own municipalities' databases. It also aims to map the innovative and sustainable practices that the councils, civil society, and companies are implementing and measure their impact.

The Municipalities and Sustainable Development Goals – Manual of Local Action for Global Transformation – April 2020 (**Os Municípios e os Objetivos de Desenvolvimento Sustentável - Manual de Ação Local para a Transformação Global - Abril 2020**) is a manual published in 2020 within the “Towards 2030: Campaign for the promotion of SDGs and Development Education and Global Citizenship Education” (“Rumo a 2030: Campanha para a promoção dos ODS e da Educação para o Desenvolvimento e Cidadania Global”) a project, implemented by the Instituto Marquês de Vale Flor (IMVF), the Oeiras Council, and the Rede Intermunicipal de Cooperação para o Desenvolvimento (RICD – Network for Development Platform), having been financed by the Camões Institute (Camões, I.P. – Instituto da Cooperação e da Língua).



As it is explained in the aforementioned Manual, the towns and local councils have a key role to perform in the application of the 2030 Agenda, for they are in an ideal position to transform an ample and abstract agenda into an efficient and concrete agenda, making it real for the citizens. In effect, the fulfillment of the SDGs will depend on the ability to promote integrated,

inclusive, and sustainable territorial development. It is estimated that 65% of the 169 established targets for the 17 SDGs will not be fulfilled without the concrete involvement of the local and regional governments.

The implementation of the SDGs in Portugal's cities

The SDGs are the first public development agenda approved unanimously by the UN's State Members. It arose from the need to make the three dimensions of Sustainable Development, social, environmental, and economic, indivisible, turning them into a plan of action. Two points demonstrate the need to amplify their governance model. On the one hand, cities only represent 2% of the land territory, with over 50% of the population, the global GDP, and pollution. On the other hand, UNCTAD's data indicate that the SDG implementation represents an annual global investment of \$3.9tn. To reach this amount, the need arises to complement the \$1.4tn resulting from the public sector with \$2.5tn from the private sector. These two factors combined signify the interdependence between the main local administration and between the public and private sectors.

Understanding the SDGs is easy, but the real challenge is implementing them. For this reason, they are associated with a cascading management process with goals, targets, and indicators, which ensures their monitoring. This way, it is sought to avoid bluewashing and ensure a real path of three-dimensional convergence. This is the basis for the Voluntary National Reviews (VNRs) to be created and presented at the UN's headquarters, which are the national appliance of the SDG roadmap. Cities and local administration adopted the Voluntary Local Reviews (VLRs) so that the SDGs Location's excellence is linked to the VLR Movement. Bristol is one of the best examples, where their Mayor states that the SDGs brought a language that joins vision and strategy in all areas of the county, allowing for

sharing and improving development models with his international peers.

The Councillor responsible for the SDGs of Santana de Parnaíba in the São Paulo metropolitan area, who came up with the first VLR in Portuguese, states that the SDG took them outside their comfort zone of current management, making them go down a path of excellence, and having a vision that goes beyond a political mandate.

In Portugal, many cities today go from the phase of understanding to implementing the SDGs, Cascais and Porto on the way to the VLR. In Mafra, the Mayor chose SDG#17 (Partnerships for implementing goals) as a starting point. With no partnerships, it will be impossible to reach them. The same answer was given in the workshops given to civil society, entrepreneurs, managers, and municipal executives. The general sentiment is after understanding them together, making them happen. The SDGs, in general, and the VLRs specifically, represent a vision for the city, which, aligned with the goals, contributes to generating a strategy that, being visible, attracts people and investors because it simultaneously protects the environment.

To support Portuguese cities, in Católica University, the CESOP Católica Surveys created, in 2016, the Municipal Sustainability Index (ISM – Índice de Sustentabilidade Municipal), making it possible to measure the SDGs' position in the 308 Portuguese municipalities and enhance its impact on the CESOP Local municipality network through the ISM's deepening efforts. In line with the diffusion of good practices, the “Local Innovation & Development” (IDL

– “Inovação & Desenvolvimento Local”) is a space of diffusion, sharing of knowledge, and reflection on the innovative and distinguished Good Practices. It takes place every last Thursday of the month, where the Partners of the CESOP Local network share examples made on behalf of the 17 Sustainable Development Goals of the 2030 Agenda for Portugal’s Local level. The last line of operation of CESOP Local results from the evolution of the SDG Breathing Cities Program launched by the Global Solutions 4U partnership, which resulted in the Urban SDG Lab. This lab, which is in an early stage, is a partnership between the Mafra Council and the UN-Habitat, aiming to help

Portuguese and Portuguese-speaking cities place SDGs.

Pedro Neves, Global Solutions 4U Founder & CEO_ University Professor & Researcher _ specialist in Sustainable Development & ESG Investing

References

Ministério de Negócios Estrangeiros (2017). National report on the implementation of the 2030 Agenda for Sustainable Development. Taken from: https://www.google.com/url?q=https://sustainabledevelopment.un.org/content/documents/15771Portugal2017_PT_REV_FINAL_28_06_2017.pdf&sa=D&source=docs&ust=1637943325153000&usq=AOvVaw28lQO7L4UxxFeoq-Sf0K2H

Silva, António Costa. (2020). Strategic Vision for Portugal’s Economic Recovery Plan 2020-2030. Taken from: <https://www.portugal.gov.pt/download-ficheiros/ficheiro>.

Ministério do Planeamento (2021). Portugal 2030 Strategy – Strategic Framing Document. Taken from: <https://www.portugal.gov.pt/download-ficheiros/ficheiro>.

Mateus Das Neves, Pedro. (2020). Aligning Post Covid19 Recovery Plans with the SDGs (The Portuguese Case): IS ANTÓNIO COSTA SILVA’S STRATEGIC VISION FOR 2020-2030 ALIGNED WITH THE SDGS? 10.13171/PN.2020.10.01.004.

Ministério do Planeamento (2021). Recovery and Resilience Facility – Synthesis updated on 15 February 2021. Taken from: <https://www.portugal.gov.pt/download-ficheiros/ficheiro>.

Sachs, J., Lafortune, G., Kroll, C., Fuller, G., Woelm, F. (2022). From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond. Sustainable Development Report 2022. Cambridge: Cambridge University Press.

INE. (2022). Sustainable Development Goals (SDGs) Indicators in Portugal 2015-2021.

Tribunal de Contas (2022). Opinion on General State Account 2021. Tribunal de Contas, Lisbon.

Tribunal de Contas (2021). Opinion on General State Account 2020. Tribunal de Contas, Lisbon.

Tribunal de Contas (2019). Opinion on General State Account 2018. Tribunal de Contas, Lisbon.

Plataforma Portuguesa das ONGD (2020). Portugal and the 2030 Agenda for Sustainable Development.