

**DISPUTE RESOLUTION**

Social and economic emergency plan for the Algarve

The Algarve has been seriously affected by the social and economic impacts of the COVID-19 pandemic.

In this context, on 29 July 2020, the Portuguese Parliament published Resolution no. 51/2020 in which it recommend the adoption of a social and economic emergency plan for the Algarve (“Plano de emergência social e económico para o Algarve”) by the Portuguese Government.

"The recommended measures foreseen in Resolution no. 51/2020 are exclusively applicable to Algarve region."

The recommended measures set out in Resolution no. 51/2020 are exclusively applicable to the Algarve region for the years of 2020 and 2021, and they can be summarised as follows.

The recommended measures – concerning the economy, economic activities and employment

The Resolution provides the following recommended measures with relevance to businesses:

- Creation of an emergency financial fund, using the State Budget or EU funds, with a complement of access to interest-free credit lines, to support families and micro, small and medium-sized companies;
- Presentation of legislative initiatives for the suspension, exemption or reduction of municipal taxes and charges for the years 2020 and 2021, applicable to families and micro, small and medium-sized companies;
- Introduction of tax incentives to set up and adapt companies dedicated to economic activities that differ from “sun and sea” tourism, such as, canning and agricultural product industries in the region of Algarve; other types of tourism (nature, heritage, culture, gastronomy, bird watching); companies linked to new technologies, scientific knowledge, renewable energy production with respect for environmental standards, in order to create sustainable, long-lasting and better-paid jobs;

- Possible establishment of a technological park linked to the sciences relating to the sea, as well as the creation of other projects that can provide resources to increase knowledge and employment in Algarve;
- Organisation of professional requalification with the provision of training courses, in order to professionally retrain a significant number of employees and facilitate job acquisitions.

In addition, the Resolution also provides for other support measures in the following areas::

- Social and family protection, including the extension of the moratorium period for the payment of residential rent and contractual loans, without interest or other accrued expenses, in the case of proven economic difficulty.
- Education
- Regional culture and media, including: (i) organising a support fund establishment, in cooperation with the municipalities, to implement cultural projects, by artists or regional bodies through online platforms, as a way to mitigate the loss of income of artists due to COVID-19, (ii) creation of a regional coordination observatory, to operate during the pandemic period and while its social and economic effects persist, involving political forces and regional entities, to monitor, promote and prepare proposals to combat the crisis caused by COVID-19.
- Health, in particular, the construction of the Algarve Central hospital and specific provision of Faro and Portimão Hospitals (with the necessary financial, human and technical resources).
- Agriculture, including: (i) support for small producers in case of a drop in product sales, with the provision of non-repayable financial support, incentives for development of production to supply local markets and short circuits, and production to replace imports; and (ii) support in absorbing national production from large distribution with protective measures at the price level.
- Activities relating to fishing, seafood and artisanal fishing, through the State Budget or EU funds.
- Road and rail infrastructure, in particular: the suspension of tolls on the Via do Infante motorway, at least until the full upgrading of the National Road (EN) 125; (ii) focus on upgrading the National Road EN125; and (ii) upgrading and electrification of the regional railway line, including rolling stock, thus beginning a process that was already planned and which should be accelerated.
- Water sustainability, with: (i) the implementation of water reuse processes from wastewater treatment plants, for irrigation of gardens and golf courses, agricultural and industrial purposes, and street cleaning; and (ii) preparation of studies for possible construction of desalination plants using new technologies and renewable energies and development of a regional plan for water efficiency and sustainability, considering the possible future shortage of clean water in the Algarve. ■