



Presidency of the Republic of Brazil  
Office of the Chief of Staff

# **INNOVATION AND REGULATION IN BRAZIL**

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Deputy Minister for Public Policies

May 2018

# NEW GOVERNMENT - CONTEXT AND RATIONALE

- ✓ Economic crisis;
- ✓ New Government (May, 2016): new mindset - spend better, make better choices and be more efficient;
- ✓ Attempt to attract private investment and partnership;
- ✓ Focus on Improving the business environment;
- ✓ Need to improve Government actions: regulatory quality and spending review.



**Opportunity to push the regulatory policy agenda forward in Brazil!**

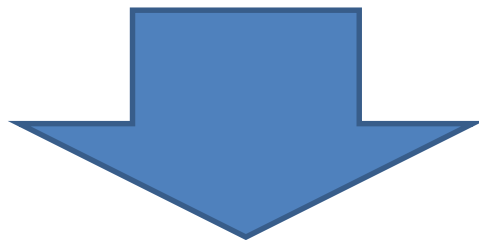
# NEW LOGIC

- ✓ We need to spend public resources better
- ✓ We need to make better choices
- ✓ We need to be more efficient
- ✓ We need to increase private sector participation (free enterprise, free competition)
- ✓ We need to be closer to international dialogue about public policies best practices

# STRUCTURAL REFORMS

Spending cap

Social Security Reform

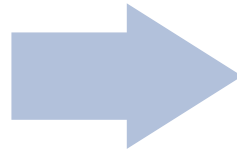


Spending Control

# BETTER CHOICES, GREATER EFFICIENCY

## Public Governance Policy

*Mechanisms for internalizing good governance practices*



Adapting Public Administration to citizens' needs

## Brazil's accession to the OECD

*Recommendations, conventions and guidelines that indicate good international practices*

# PUBLIC GOVERNANCE POLICY GOALS

**Creation of the fundamental legal frameworks to guide the governance of public institutions**

**Draft Bill (#9.163/17)**

**Decree (#9.203/17)**



**Central committees to guide and promote the implementation of good governance practices in the public organizations**

Legislative and Judiciary branches: to be created

Federal Executive Branch: **Interministerial Committee on Governance**



**Citizen at the center of government decisions**

**Trust** in public institutions

**Reliability** and **legitimacy** of public action

# IMPROVING PUBLIC GOVERNANCE



## Governance Principles and Guidelines

- 6 principles
- 11 guidelines
- Recommendations of international organizations (OECD, UN, IDB, etc. ) and manuals from *Federal Court of Accounts* (TCU)
- **State of the art in public governance**



## Interministerial Committee on Governance

- Ministers of the Civil House (coord.), Planning, Finance and Office of the Comptroller General
- Guides and manuals of governance (1st: Guide of Evaluation of Public Policies)
- **It guides and promotes the implementation of good governance practices in the Executive Branch**



## Principles of Control and Internal Audit

- Risk management
- Strengthening the preventive role
- Integrity Programs of Public Organizations
- **Protection of innovative management initiatives**

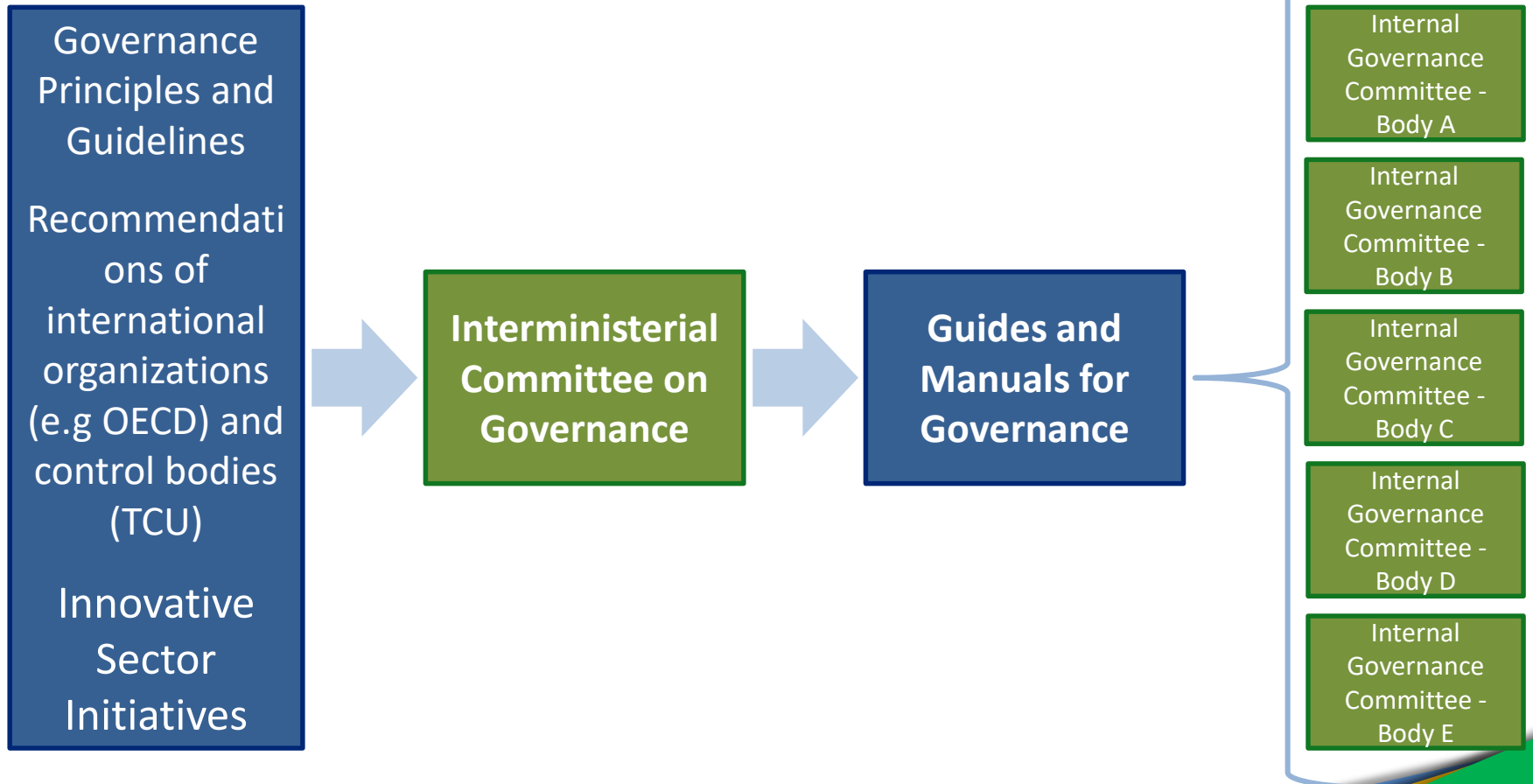
PRINCIPLES	RELEVANT QUOTES
<p><b>Responsiveness</b></p>	<p><i>"[...] responsiveness and accountability are two fundamental principles of governance which are analyzed in view of their key role as cross-cutting enablers of development."</i></p> <p>United Nations - 2015 World Public Sector Report</p>
<p><b>Integrity</b></p>	<p><i>"Integrity is not just a moral issue, it is also about making economies more productive, public sectors more efficient, societies and economies more inclusive."</i></p> <p>OECD - Integrity Review of Brazil: Managing Risks for a Cleaner Public Service</p>
<p><b>Reliability</b></p>	<p><i>"Reliability is the capacity of government institutions to respond effectively to a delegated responsibility to anticipate needs, and thereby minimise uncertainty in the economic, social and political environment facing people."</i></p> <p>OECD - Trust and Public Policy: How Better Governance Can Help Rebuild Public Trust</p>
<p><b>Better Regulation</b></p>	<p><i>"The better regulation agenda is about designing and evaluating [...] policies and laws transparently, with evidence, and backed up by the views of citizens and stakeholders."</i></p> <p>European Commission - Better regulation for better results: An EU agenda</p>
<p><b>Accountability</b></p>	<p><i>"Effective governance for sustainable development demands that public institutions in all countries and at all levels be inclusive, participatory and accountable to the people."</i></p> <p>United Nations General Assembly - The road to dignity by 2030</p>
<p><b>Transparência</b></p>	<p><i>"Strengthening relations with citizens is a sound investment in better policy-making and a core element of good governance."</i></p> <p>OECD - Public Sector Transparency and Accountability: Making it Happen</p>



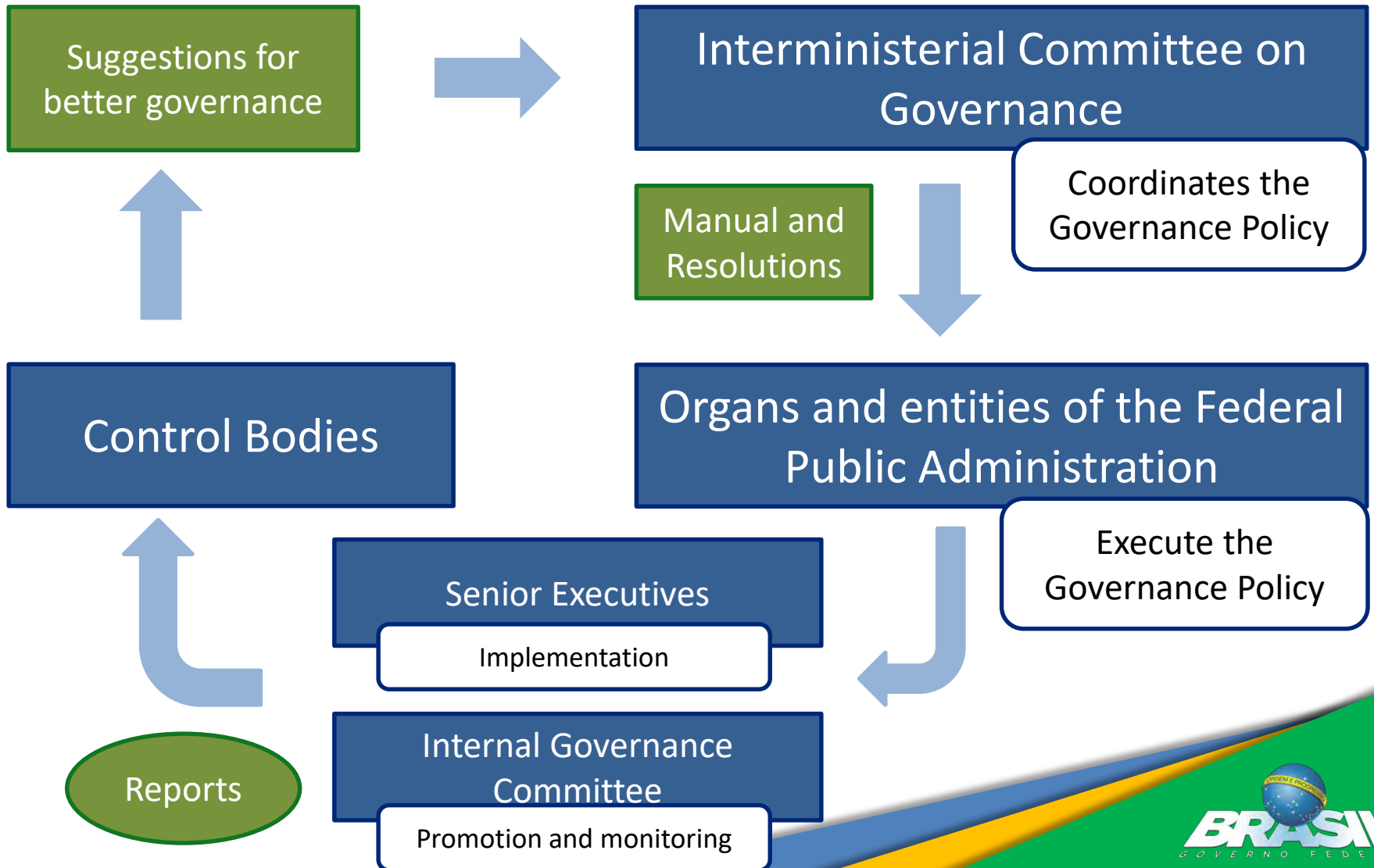
PRINCIPLES	GUIDELINES
<b>Responsiveness</b>	<p>To direct actions for the search of results for the society, finding timely and innovative solutions to deal with resource constraints and changing priorities</p> <p>To promote the administrative simplification, the modernization of public management and the integration of public services, especially those provided by digital sources</p>
<b>Integrity</b>	<p>To implement internal controls based on risk management, which will focus on strategic prevention actions before sanctioning processes</p> <p>To prompt the incorporation of high standards of conduct by senior management to guide the behavior of public agents, in line with the functions and attributions of its organs and entities</p>
<b>Reliability</b>	<p>To monitor the performance and evaluate the design, the implementation and the results of the policies and the priority actions to ensure that strategic guidelines are followed</p> <p>To articulate institutions and coordinate processes to improve integration between the different levels (subnational entities) and branches (Executive, Judiciary and Legislative) of the public sector, in order to generate, preserve and delivery public value</p>
<b>Better regulation</b>	<p>To maintain decision-making processes oriented by evidences, by legal compliance, by regulatory quality, by de-bureaucracy and by support for the participation of society</p> <p>To edit and review normative acts based on good regulatory practices and on the legitimacy, stability and coherence of the legal system, conducting public consultations whenever appropriate</p> <p>To evaluate proposals for the creation, expansion or improvement of public policies and the granting of fiscal incentives and, whenever possible, gauge their costs and benefits</p>
<b>Accountability</b>	<p>To formally define the roles, duties and responsibilities of institutional arrangements and structures</p>
<b>Transparency</b>	<p>To promote an open, voluntary and transparent communication of the organization's activities and results, in order to strengthen public access to information</p>



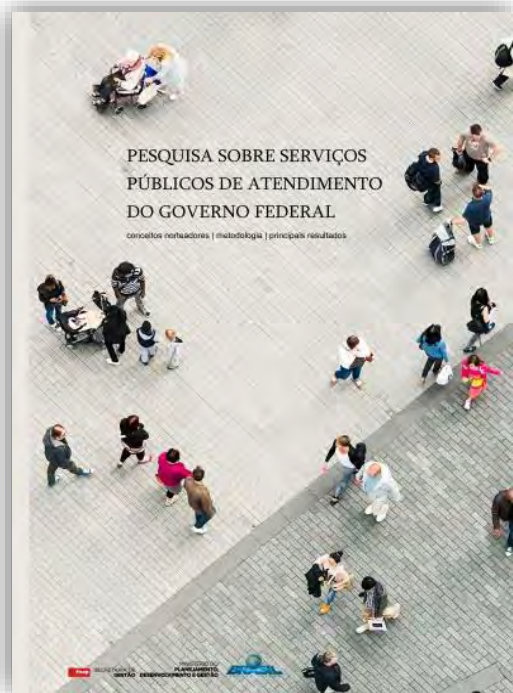
# INTERMINISTERIAL COMMITTEE ON GOVERNANCE - DECREE



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# EXAMPLES OF GOOD GOVERNANCE AND INNOVATION IN BRAZIL (2017-2018)



- **Census of Services**

The Brazilian government has cataloged the public services provided at the federal level and now has valuable information to digitize them. The **Digital Citizenship Platform**, where the 1740 services provided will be made available, represents a single and integrated channel for providing information, electronic request, monitoring and evaluation of public services by citizens.



# EXAMPLES OF GOOD GOVERNANCE AND INNOVATION IN BRAZIL (2017-2018)



- **Better Regulation**

After a public consultation that received 538 submissions, the Brazilian government issued its first *General Guidelines and Guide to Regulatory Impact Analysis*, which recommend minimum standards to be applied in all federal regulatory agencies and, where applicable, in all entities with normative powers



# EXAMPLES OF GOOD GOVERNANCE AND INNOVATION IN BRAZIL (2017-2018)



- **Evidence-Based Decisions**

To foster evidence-based decisions, the Brazilian government has issued the *Practical Guide to Ex Ante Analysis of Public Policies*, which seeks to disseminate best international evaluation practices in all governmental agencies and entities of the federal public administration, contributing to rational and efficient allocation of public resources. It was the first guide approved by the *Governance Interministerial Committee*.



# EXAMPLES OF GOOD GOVERNANCE AND INNOVATION IN BRAZIL (2017-2018)



- **National Long-term Strategy**

The national strategy of economic and social development consolidates the resumption of long-term planning in Brazil, institutionalizing the edition of a **12-year plan** and inserting it within a set of strategic planning tools - which will allow a synergistic and integrated relationship between plans with different validities and scope.

# EXAMPLES OF GOOD GOVERNANCE AND INNOVATION IN BRAZIL (2017-2018)

- **Social Participation**

To promote social citizens engagement and simplification of public services, a portal that allows any utility user contributes with it by sending suggestions to improve the delivery of the service was launched. The right is guaranteed in the Decree that established the **User Services Charter**, an important tool to ensure transparency in the relationship with users and foster the responsiveness of service providers.





# EXAMPLES OF GOOD GOVERNANCE AND INNOVATION IN BRAZIL (2017-2018)

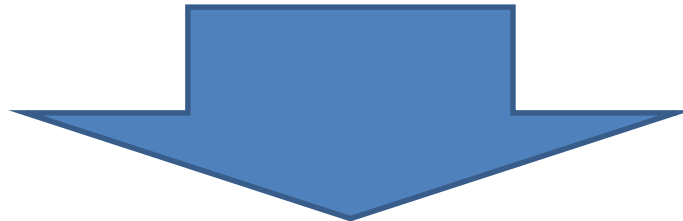


- **Digital Inclusion/Transformation**  
The **digital transformation** of public services, with the creation of the *Federal Government Service Site* and the migration of services to the new platform - 40% of them are already totally digital - is being combined with the search for **digital inclusion**, through the *Internet for All* program, which provides the Internet to cities without broadband and to public schools throughout the Country.



# ECONOMIC REFORMS

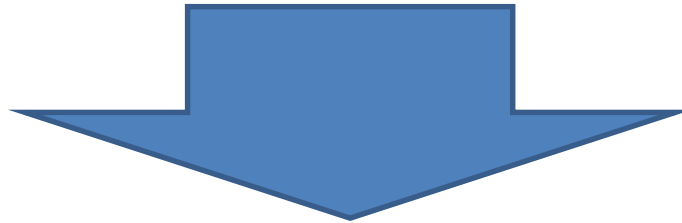
- Digital Transformation Strategy
- New Bill for Regulatory Agencies
- State Owned Companies New Regime



**BETTER GOVERNANCE, BETTER RULES**

# ECONOMIC REFORMS

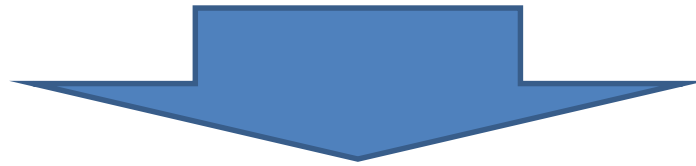
- Labor Rights Reform
- Bill for Personal Data Protection
- New Bill on Bankruptcy



**BETTER RULES, MORE EFFICIENCY**

# REGULATORY REFORMS

- Electricity
  - Oil & Gas
    - Mining
- Air Transportation
  - Airports
  - Sanitation
- Telecommunications



**MORE COMPETITION, MORE EFFICIENCY, MORE INNOVATION**

# PUBLIC GOVERNANCE REFORM

- Main objectives:
  - Government credibility
  - Reduction of production costs and transactional costs
  - More rationality to regulatory frameworks
  - Improvement of business environment
  - Incentives to innovation



**PRODUCTIVITY  
REFORM**



**Thank you**

**Presidency of the Republic  
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Office for Public Policies**

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