



MINISTÉRIO DO
PLANEJAMENTO
E ORÇAMENTO

Q2

July | 2023

Quarterly Report

Ministry of Planning and Budget

MINISTÉRIO DO
PLANEJAMENTO E
ORÇAMENTO



Ministry of Planning and Budget - MPO¹

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Cover Photo: 12/05/2023 - State Plenary of the Participatory PPA 2024-2027 - Pernambuco

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Brazil. Ministry of Planning and Budget
Ministry of Planning and Budget: quarterly report [electronic resource]
/ Ministry of Planning and Budget. – Brasília: MPO, 2023.
v.2 (29 p.) : il., photos, color.
1. Planning and Budgeting. 2. Public Administration. 3. Report. I.
Ministry of Planning and Budget (MPO).

Planning and Budgeting. 2. Public Administration. 3. Report. I. Ministry of
Planning and Budget (MPO).
CDD 351

Cataloguing data sheet prepared by Andréa de Mello Sampaio - CRB-1/1650

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Letter from the Minister

Following the continuous commitment to transparency of the government of President Luiz Inácio Lula da Silva and this ministry with Brazilian society, we present the second edition of the Quarterly Report of the Ministry of Planning and Budget – MPO of 2023.

As presented in the Q1 Report, the MPO was recreated with the premise of efficiency, transparency and social commitment to fiscal responsibility. After a first quarter of administrative reconstruction, emergency care and cautious setting of structuring guidelines, we continue to work on the positive agenda we want for the country. This document provides an overview of the steps taken so far, as well as the planned routes for the MPO, with their respective updated calendars.

We sent the PLDO 2024 to the National Congress with modernizations that bring us closer to good global budgetary practices, such as the prediction of multiannual projections and the more advanced identification of cross-cutting agendas. The construction of the participatory Multiannual Plan (PPA) 2024-2027 was and continues to be done by many hands, passing through all the capitals of the country. We are harvesting the intelligence spread throughout all regions of Brazil to build the most open, current and truly participatory planning for the next four years. **Nineteen state plenaries** have already been held and until July 14 we will have **eight** more **meetings** to build a medium-term planning with transversal agendas. External financing operations already benefit from more transparent practices and will also undergo a reformulation under the Single Window Program for External Financing, aiming at improving governance and allowing greater predictability, agility and objectivity. About R\$ 15.6 billion in projects have already been approved at the two meetings of the External Financing Commission – Cofix this year. In addition, we have already paid more than R\$ 1.5 billion of inherited liabilities to international organizations, recovering Brazil's credibility abroad. The structure of the public policy evaluation and monitoring system was updated with the approval of the new decree of the Council for Monitoring and Evaluation of Public Policies – CMAP. In addition to changing the composition of the Council to adapt it to the new structure of the Ministries, its functioning was improved so that evidence production allows for the improvement of public policies. The constant institutional articulation to understand demands from the federated entities, the other

powers and the productive sector continues to promote an environment of favorable synergy, necessary to the guidelines that are a priority for our society.

The work of knowledge building with the Brazilian Institute of Geography and Statistics – IBGE and the Institute of Applied Economic Research – IPEA is increasingly aligned with the objectives of the federal government. This quarter, we completed the collection and general review of the Demographic Census, whose first results were released by the IBGE at the end of June. We are 203 million inhabitants in Brazil, with 90 million households. Due to efforts led by the MPO, we incorporated almost 16 million people into the Census, from special operations along the Yanomami Indigenous Land, to the so-called subnormal agglomerations (the "Favela no Mapa" operation) and along with high-end condominiums. IPEA, on the other hand, has increasingly contributed to deepening debates that are fundamental to the future of the country, such as tax reform. Both entities linked to the MPO also compose two internal Subcommittees established internally: Subcommittee on Risk Management, Transparency, Control and Integrity and the Subcommittee on Integration and Development in South America.

We still have a lot of work to be done to root and reap the fruits of these first seeds planted. Therefore, we will remain firm so that public policies reach all Brazilians in an inclusive, efficient, and sustainable way.

Have a good read,

Simone Tebet

Minister of State for Planning and Budget

1. Highlights

<p>Conclusion of the 1st phase of</p>  <p>MPO's Strategic Planning</p>	<p>Release of the Demographic Census</p>  <p>We are 203 million</p>
 <p>PPA Multiannual Plan</p> <p>19 plenaries already organised</p>	 <p>New Budget and Financial Programming Decrees</p>
 <p>Regularization of Payments to International Organizations</p> <p>R\$ 1,53 billion paid until June/2023</p>	<p>Publication of new decree</p> <p>CMAP Delivery of 2022 cycle evaluations</p> 
<p>New Fiscal Regime</p>  <p>final approval phase</p>	 <p>Creation of Subcommittee Focus on Integration and Development in South America</p>

Elaboration: SE/MPO

2. Diagnosis

The higher growth of Brazilian activity is one of the great challenges of the last forty years, as highlighted in the [report](#) of [the 1st quarter of 2023](#). To achieve this goal, it is necessary to increase investment and promote the improvement of the business environment. Such measures will be achieved if important economic reforms are implemented, with the inclusion of the poorest in this new economic design.

Although the path to achieving the highest sustainable growth passes through several stages, current indicators show that activity at the beginning of 2023 surprised positively. Brazilian GDP growth in the first quarter was 1.9%, surpassing market projections that bet on a significantly lower variation at the beginning of this year. Thus, the growth expectation for 2023, which was 0.8% in January (according to Focus), has been systematically revised and activity this year is expected to grow 2.3% if there is no positive variation in GDP in the other quarters.

The labor market confirms the good news for 2023. There were more than 700 thousand vacancies with a formal contract in the first four months of this year, according to data from CAGED/MTE. Consequently, the total number of jobs with a formal contract in Brazil exceeds 43 million workers. Similarly, the general employment data confirm the good results - according to the PNAD. The unemployment rate in April stands at 8.5%,²³ two percentage points lower than the same period last year. The total number of workers (including employees, employers and the self-employed) approaches 99 million.

In addition, there is a reduction in the rate of inflation for consumers and wholesale goods. The good news can be observed in several items in the Brazilian consumption basket, especially in the fall in food prices and in the lower pressure of service prices.

The good initial results should encourage us in the search for the measures that generate the greatest long-term economic development. The first step was taken in the elaboration and presentation of the Sustainable Fiscal Regime. In addition to including a rule that links expenditure growth to revenues and debt sustainability, the Budget

² General Register of Employed and Unemployed of the Ministry of Labor and Employment.

³ National Household Sample Survey

Guidelines Law (LDO) will include the medium-term fiscal framework, which presents the projections for revenue and expenditure indicators for the following ten years, and the estimate of the fiscal impact, when applicable, of recommendations resulting from policy evaluations.

The effect of the Sustainable Fiscal Regime on the future interest market and other financial indicators was relevant. The five-year interest rate has fallen since the presentation of the Fiscal Regime and is currently at the lowest levels since the beginning of last year, after reaching high levels in early March. There has been a sharp reduction in the exchange rate, and country risk, as measured by the 5-year *Credit Default Swap* (CDS), is at its lowest since 2021. The good financial results reflect, in part, the improvement of the projections of Brazilian indebtedness, according to the projections of Focus, for the short- and medium-term horizons.

The next steps that provide economic development go through a tax reform that will reduce the system complexity, the high costs in the country with judicialization and compliance with current legislation. This reform will also provide a reduction in tax litigation, greater predictability, increased investment, and improved income distribution. Regarding this last aspect, according to a study published by Ipea⁴, the reform under discussion in the National Congress has the potential to reduce the difference between the largest and the lowest *per capita* income of ISS + ICMS from two hundred times to fifteen times. In addition, the same study indicates that the existence of a transition rule, combined with economic growth, will reduce the immediate impacts on the federative entities and allow an increase in revenue for at least "92% of Brazilian municipalities in the scenario in which the reform produces moderate effects on productivity."

⁴ Institute of Applied Economic Research. Letter of Conjuncture No. 59 - Conjuncture Note 17. Q2 2023. Available [here](#).

3. Governance

Ministerial Governance Committee approves first phase of MPO's new strategic planning

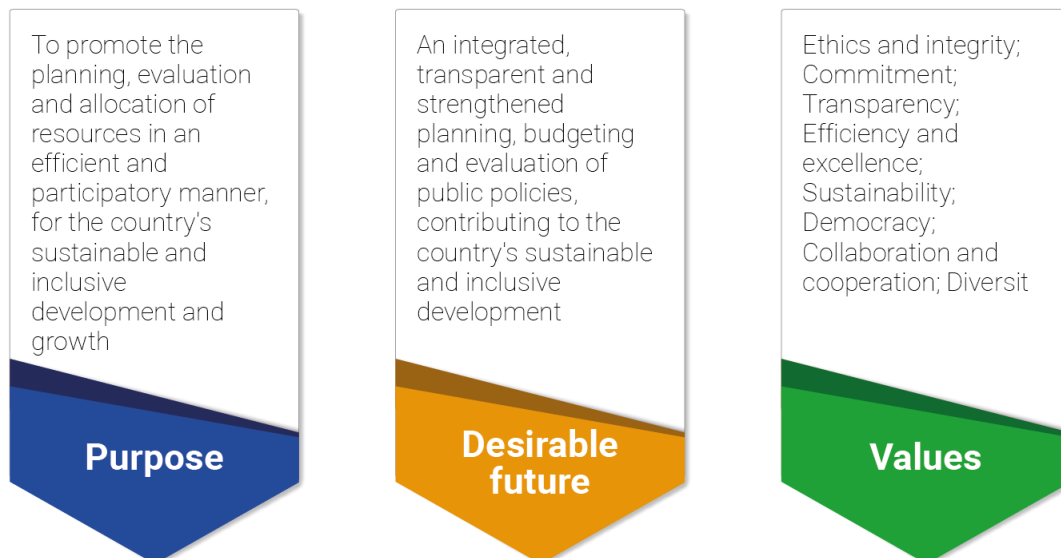
Maintaining the decision-making process guided by evidence, legal compliance, regulatory quality, reduction of bureaucracy and support for the participation of society are some of the guidelines of public governance proposed by [Decree No. 9,203, of November 22, 2017](#).

The [MPO's Ministerial Governance Committee \(CMG/MPO\)](#) is the internal ministerial governance structure, created in compliance with article 15-A of Decree No. 9,203, of 2017, to, among other objectives, assist senior government management in improving institutional performance and in the decision-making process.

The CMG/MPO was created by Ordinance GM/MPO No. 116, of May 3, 2023, updated by [Ordinance GM/MPO No. 162, of June 19, 2023](#). Composed of the Minister of State for Planning and Budget, the Executive Secretary and the heads of all the Secretariats of the Ministry, it has the support of the following governance structures: [Subcommittees on Digital Governance and Information Security](#) (SGD-SI); [Risk Management, Transparency, Control and Integrity](#) (SRTCI) and [Subcommittee on Integration and Development in South America](#).

On 30/05/2023, the first meeting of the Committee took place, at which time the ministry's strategic references (purpose, desirable future and values) were approved, concluding the first phase of the MPO's strategic planning:

Conclusion of the 1st phase of MPO's Institutional Strategic Planning Strategic references



Elaboration: SE/MPO

The deliberations of the CMG and its collegiates can be found in the MPO's website.

Integrity and Transparency

Meeting the commitment of transparency anticipated in our 1st Quarter Report, we have expanded the stock of information in active transparency in MPO's electronic address, in order to ensure [access to information](#) and enable social control. In addition, all requests for information received under the Law on Access to Information - LAI have been answered within the time limit and in the forms established in the legislation.

Installation of the Subcommittee on Risk Management, Transparency, Control, and Integrity. First deliveries.

Created under the MPO's governance system, the Subcommittee on Risk Management, Transparency, Control, and Integrity was installed and had its first meeting on 15/06/2023. To promote compliance, transparency, prioritization of public interest and an organizational culture aimed at delivering public value to society, the

Subcommittee will act in the elaboration of the Integrity Program of the MPO and its related entities. The target release date is August 2023.

The program is being built on the following principles: integrity as a pillar for planning, budgeting, and evaluation of public policies; commitment of senior management to the implementation of the program; evidence-based (risk assessment and systematization of data obtained by integrity instances) and promotion of democracy, emphasizing diversity, participation, and equity as necessary for the generation of creative and inclusive solutions.

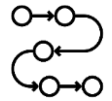
In addition, the Subcommittee will also be the body responsible for coordinating the preparation of the MPO's new Open Data Plan. The first phase of the Plan will include the inventory of the Ministry's databases, which will be converted to the open format so that they are made fully available to the public in an accessible way.

4. Budget

New Fiscal Framework

Following the Constitutional Amendment No. 126, of December 21, 2022, the federal government presented the pillars of the new fiscal framework on 30/03/2023. The complementary bill No. 93/2023 was formalized on 18/04/2023⁵, and had its first approval in the Chamber of Deputies on 24/05/2023 (see [here](#)). After being approved on 21/06/2023 in the Federal Senate, with adjustments (see procedure [here](#)), the text returned to the Chamber of Deputies for final analysis.

Budget modernization:
improvement of the profile of public expenditure, with a social and fiscal focus. Increased transparency of the budget.



The proposal of the new fiscal regime aims to ensure "medium and long-term fiscal sustainability (expenses growing less than revenue), but with flexibility to adapt to different economic and political cycles and aimed at inducing conducts, seeking to absorb what is frontier in discussions on fiscal rules in the world" (Interministerial Explanatory Memorandum No. [00052/2023 MF MPO](#)).

Update on primary deficit projection

In accordance with the results presented in [the Primary Revenue and Expenditure Assessment Report](#) for [March-April](#) 2023, the primary deficit estimate for 2023⁶ was revised to R\$ 136.2 billion, equivalent to 1.3% of GDP.

⁵ Art. 6 The President of the Republic shall submit to the National Congress, by August 31, 2023, a complementary bill with the objective of instituting a sustainable fiscal regime to ensure the macroeconomic stability of the country and create the appropriate conditions for socioeconomic growth, including the rule established in [art. 167, III of the Constitution](#).

⁶ The RARDP is a publication of the Federal Government, under the technical coordination of the Federal Budget Secretariat, in compliance with the provisions of article 9 of the Fiscal Responsibility Law, and article 69 of the Budget Guidelines Law for 2023. Based on the RARDP, limitation of commitment of budget appropriations as well as limitation of financial movement with a view to achieving the primary result goal may be promoted. In addition, the RARDP may indicate the need to block discretionary budget appropriations in the amount necessary to comply with the individualized limits established in art. 107 of the Transitional Constitutional Provisions Act.

Result of Revenue and Expenditures Evaluation – March/April

R\$ million

Breakdown	LOA 2023 (a)	Evaluation Jan-Feb (b)	Evaluation March-April (c)	Difference (d) = (c) - (b)
1. Primary Revenues - Total	2.258.607,3	2.375.647,4	2.367.177,3	-8.470,1
Revenues administered by RFB/MF, except RGPS, after fiscal incentives	1.378.415,6	1.474.320,8	1.464.975,3	-9.345,5
Net revenues to RGPS	595.072,8	597.453,7	593.390,8	-4.062,9
Revenues non-administered by RFB/MF	285.118,8	303.872,9	308.811,3	4.938,3
2. Transfers from revenue division	452.886,9	459.977,0	455.878,3	-4.098,6
3. Net Revenue (1) - (2)	1.805.720,4	1.915.670,4	1.911.299,0	-4.371,4
4. Primary Expenditures	2.033.845,2	2.023.232,5	2.047.456,9	24.224,4
Compulsory	1.839.061,2	1.829.357,3	1.853.605,7	24.248,4
Discretionary of the Executive branch	194.784,0	193.875,2	193.851,2	-24,0
5. Primary Result (3) - (4)	(228.124,8)	(107.562,0)	(136.157,9)	(28.595,9)
6. Primary Result Target OFS (art. 2º, caput, da LDO-2023)	(65.905,8)	(65.905,8)	(65.905,8)	0,0
7. Target Compensation (art. 2º, § 2º, of LDO-2023, and EC 126/2022)	168.230,6	168.230,6	172.092,6	3.862,0
8. Effort (-) ou Expansion (+) (5) - (6) + (7)	6.011,6	126.574,4	101.840,5	(24.733,9)

Source and Elaboration: SOF/MPO.

Budget and Financial Programming Decrees 2023

Decree No. 11,538, of 30/05/2023 amends [Decree No. 11,415, of 16/02/2023](#), which provides for the budgetary and financial programming and establishes the monthly execution schedule of disbursement of the federal Executive Branch for the 2023 fiscal year. Decree No. 11,358 takes into account the information contained in the primary income and expenditure assessment report for the 2nd quarter of 2023. According to announced revisions, the excess of expenditure over the limit set by the spending ceiling in force is R\$ 1.7 billion, which indicates the need for a block in discretionary expenses in the same amount. This excess represents 0.09% of the total limit of the spending ceiling, which is R\$ 1.95 trillion, and 0.87% of the total discretionary expenses of the Executive Branch, which amount to R\$ 193.9 billion. The publication of the blocking of budget appropriations in its own annex ([Annex XXIII](#)) of the Decree is another transparency measure for the effective monitoring of budget management by the population.

Special Credit for guarantee of the national nursing floor

R\$ 7.3 billion in special credits were opened in favor of the Ministry of Health for complementary financial assistance to the States, Federal District - DF and Municipalities for payment of the salary floor of nursing professionals, according to [Law No. 14,581, of May 11, 2023](#).

Budget emergency care to cope with avian influenza

R\$ 200 million in extraordinary credit were opened in favor of the Ministry of Agriculture and Livestock, to ensure the prevention and combat of Avian Influenza of High Pathogenicity - IAAP, with a view to detecting the infection in wild birds in the country, according to [the Explanatory Memorandum](#) of [Provisional Measure No. 1,177, of 05/06/2023](#).

Budget Guidelines Bill (PLDO) for 2024

The government sent to the National Congress, on 15/04/2023, the [Budget Guidelines Bill \(PLDO\) of 2024](#). The PLDO comprises the goals and priorities of the federal public administration, establishes the fiscal policy guidelines and respective goals, in line with a sustainable trajectory of the public debt. It also guides the preparation of the Annual Budget Law, provides for changes in tax legislation and establishes the policy of application of official financial development agencies. The PLDO-2024 has simultaneous adherence to the current spending ceiling and the proposal for a new fiscal framework, sent by the government to the National Congress.

Publication of the Central Government Expenditure Bulletin (COFOG)

The MPO published the [Bulletin of Expenditure Statistics of the Brazilian Central Government](#), following the *Classification of Functions of Government (COFOG)*, which is developed in partnership with the Organization for Economic Cooperation and Development – OECD and the United Nations – UN. The Bulletin will ensure international comparability of spending.

Report of the Transversal and Multisectoral Agenda for Early Childhood

The Report on Spending for the Benefit of Early Childhood: ["The Financing of Early Childhood in the Federal Budget - Transversal and Multisectoral Agenda of Early Childhood"](#) contains information on the results achieved under this agenda and indicates the expenditure for the year 2022 in addition to the expenditure earmarked for the year 2023. The current allocation in the 2023 Budget for the so-called "Early Childhood Agenda" is R\$ 27.1 billion. The amount is almost 39% higher than the total of R\$ 19.5 billion committed in 2022. The publication aims to give greater transparency to the materiality of the political commitments made to the population from zero to six years.

5. Planning

Preparation of the Multiannual Plan 2024-2027

Since January 2023, the process of formulating the Multiannual Plan – PPA, a medium-term planning instrument defined by the Federal Constitution, [whose main characteristics were specified in our 1st quarter report](#), has been underway. In this quarter, we highlight the face-to-face workshops within the tactical stage. The workshops comprised 125 meetings, totaling 716 hours, with representatives from all ministries and the participation of more than 4,400 employees until June 22. Ipea had a broad engagement in the discussions, with more than 50 technicians involved in the workshops, in order to assist the sectoral bodies in the construction of indicators of specific objectives and program deliveries. Public banks (Banco do Brasil, Caixa Econômica Federal, Banco Nacional de Desenvolvimento Econômico e Social - BNDES, Banco da Amazônia - BASA and Banco do Nordeste - BNB) and state-owned enterprises such as Correios, Telebras, Eletronuclear, and Empresa Brasileira de Serviços Hospitalares – EBSERH also took part in the PPA construction workshops. In addition, the consultative phase of the States, with an expected completion date of 14/07/2023, has already covered 18 states and the Federal District, with the participation of approximately 24,000 citizens (numbers of the General Secretariat of the Presidency of the Republic).

Calendar of Plenary Sessions of the Participatory PPA

May			
Bahia 11/05	Alagoas 12/05	Pernambuco 12/05	Paraíba 13/05
Rio Grande do Norte 25/05	Ceará 26/05	Piauí 26/05	Maranhão 27/05
June			
Amazonas 02/06	Roraima 02/06	Acre 03/06	
Mato Grosso 15/06	Tocantins 16/06	Goiás 16/06	Mato Grosso do Sul 17/06
Pará 19/06	Amapá 20/06	Sergipe 22/06	Distrito Federal 27/06
July			
Rondônia 06/07	Paraná 07/07	Santa Catarina 07/07	Rio Grande do Sul 08/07
Minas Gerais 12/07	Rio de Janeiro 13/07	Espírito Santo 13/07	São Paulo 14/07

Source: SEPLAN/MPO. Elaboration: SE/MPO

The complete schedule for the preparation of the PPA 2024-2027 and its stages, planned, completed or in execution phase, can be identified below:

PPA schedule and development phases	mar 2022	apr 2022	may 2022	jun 2022	jul 2022	aug 2022
Systematization - Strategic Dimension						
1 Vision Statement, Values, Guidelines, Axes and Strategic Objectives						
Meeting with State Secretaries of Planning and Social Participation	✓					
Internal Consolidation	✓					
Validation of PPA's strategic dimension		03/04 to 05/04 ✓				
Tactical						
2 Development of programs, objectives, goals and indicators, which will be annualized and regionalized						
1st workshop cycle: programs and objectives		13/04 to 25/04 ✓				
Qualitative uptake of programs and objectives in SIOP		13/04 to 28/04 ✓				
Meeting with Deputy Ministers and National Secretaries			01/05 to 05/05 ✓			
Workshop - coordination of PPA's regional plans			02/05 to 02/06 ✓			
Technical validation: programs and objectives			28/04 to 02/06	✓		
2nd workshop cycle: goals and indicators			10/05 to 20/06*	✓		
Qualitative uptake: program attributes				05/06 to 30/06 *		
Quantitative PPA: goals and indicators					17/07 to 28/07	
Validation of program attributes					05/06 to 28/07*	
Consultation						
3 Regional Meetings, face-to-face and online workshops under the coordination of the General Secretariat of the Presidency						
1st National Inter-council Forum		18/04 to 19/04 ✓				
2nd National Inter-council Forum					10/07 to 11/07*	
Consultation Phase in the states			11/05 to 14/07*			
Virtual Platform of participation			11/05 to 14/07*			
Consolidation of contributions					17/07 to 10/08*	
Consolidation						
4 Consolidation of contributions, final draft and project sent to the National Congress						
Ministerial meeting - PPA 2024-2027 presentation and participatory process report						21/08
3rd National Inter-council Forum						By 31/08
Ceremony - PPA Bill and participatory report delivery to the National Congress						By 31/08

Source: SEPLAN/MPO. Elaboration: SE/MPO

*Alterad as compared to the Calendar published in Q1 activity report

How does PPA popular participation work ?

Popular participation during PPA development is one of the pillars established by federal government and takes two forms:

Participation in plenaries

The federal government has organized plenaries to discuss the **PPA in all 26 states and the Federal District**, aiming at presenting new proposals and prioritize programs formulated by the government.

Applications to be part of these events are made through the platform **"Participa+ Brasil"**.

Digital participation

According to data from the Secretary-General of the Presidency, **more than 300 thousand people took part in votings in the platform "Brasil Participativo"**.

Any person with a registry in Gov.br can vote and submeter proposals to the PPA until July 12 - 2023.

The 5 most voted proposals will be subject to debate during the 3rd Intercouncil Forum, and its authors will be invited to take parte in the event.

Definition of Cross-Cutting Themes

The following cross-cutting themes will be marked for monitoring in the PPA: i) women; (ii) racial equality; iii) indigenous peoples; iv) early childhood; (v) environment. The cross-cutting agendas will be subject to deliberation and approval within the Budget Execution Board (JEO).

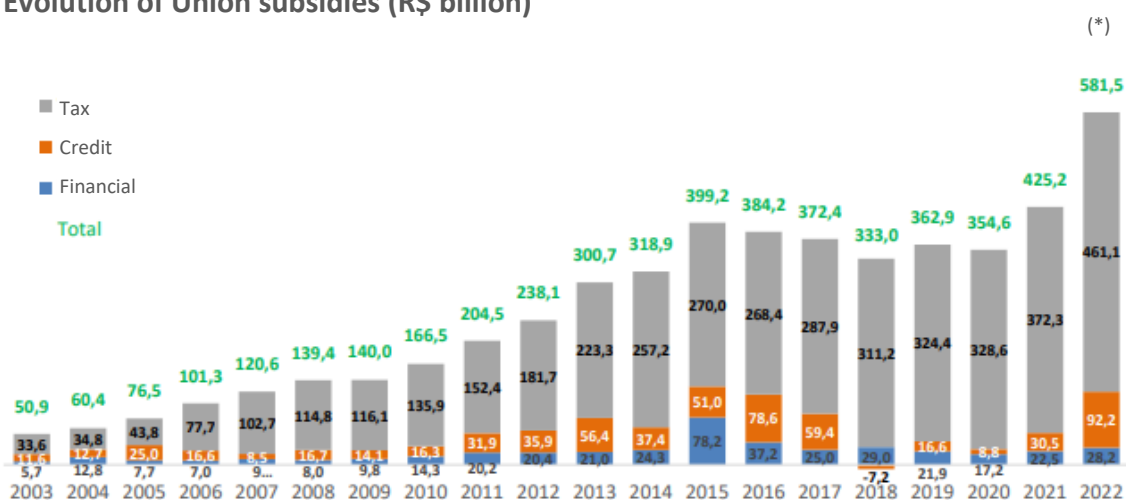


6. Monitoring and Evaluation of Public Policies

Publication of the Union Subsidies Budget (OSU)

[Published on 07/06/2023 report](#) for the year 2022. Total subsidies reached R\$ 581.49 billion (5.86% of GDP) in 2022, of which R\$ 120.43 billion are financial and credit subsidies (1.21% of GDP) and R\$ 461.05 billion are tax subsidies (4.65% of GDP). In an effort to increase transparency and improve communication with the public, the disclosure of the publication was anticipated by four months, compared to previous years.

Evolution of Union subsidies (R\$ billion)



Source: SMA/MPO and RFB. Elaboration: SMA/MPO

(*) On the occasion of the enactment of the Budget Guidelines Law of 2022 (Law No. 14,194, of 2021), [article 136, § 2](#), was included, which ceased to consider Simples Nacional and Individual Microentrepreneur - MEI as a tax waiver, exceptionally in that year. For the purpose of visualizing the historical series, the Graph considers the differentiated regimes referred to in paragraph 'd' of item III of article 146 of the Constitution.

New Decree redefine attributions and composition of the CMAP

Decree No. [11,558, of June 13, 2023](#), which repeals Decree No. 9,834/2019 and now disciplines about the Council for Monitoring and Evaluation of Public Policies - CMAP. The collegiate will have the following composition: I - Ministry of Planning and Budget, which will coordinate it; II - Civil House of the Presidency of the Republic; III - Comptroller General of the Union; IV - Ministry of Finance; and V - Ministry of Management and Innovation in Public Services. The representation of the Technical Committees (Committee for Monitoring and Evaluation of Direct Expenditures; and Committee for Monitoring and Evaluation of Union Subsidies) also reflects the new governance.

Completion of the 2022 Cycle

The evaluation reports for the 2022 cycle have been submitted. In all, there are 15 public policies evaluated, eight of which are subsidies and seven are direct expenditures, totaling R\$ 17.5 billion. In the second half of the year, the approved reports will be released in August and the pre-evaluation phase for the policies selected for the 2023 cycle will begin.

CMAP - Evaluation Calendar	apr 2022	may 2022	jun 2022	jul 2022	aug 2022
Cycle 2022 - Approval of recommendations					
1					
Release of 15 evaluation and recommendation reports		01/05 to 31/05 ✓			
Technical Committees meetings (CMAG and CMAS)			20/06 to 13/07		
CMAP meetings				12/07 to 03/08	
Monitoring of recommendations					After approval
Cycle 2022 - Release of results					
2					
Publication of reports in CMAP's website					By 13/08
Submission to Congress					By 31/08
Cycle 2023 - Pre-evaluation					
3					
Formatting of policies to be evaluated			30/06 ✓		
Work plan elaboration			By 31/07		
Cycle 2023 - Evaluation process					
4					
Start of evaluation process					01/08

Source: SMA/MPO. Elaboration: SE/MPO

7. International Affairs and Development

Regularization of Payments to International Organizations

In line with the MPO's commitment, as responsible for the payment of contributions to all international organizations of which Brazil is a permanent member, approximately R\$ 1.53 billion were paid by 06/30/2023. In the context of Brazil's international reintegration, the Ministry has prioritized the payment of arrears of contributions from previous years, equivalent to a liability of R\$ 3.04 billion, in addition to R\$ 1.90 billion payable of contributions and payments for the 2023 fiscal year, resulting in a total of R\$ 4.94 billion in payments to be made.

The regularization of payments is a necessary step for the resumption of Brazil as a key player in the international arena. One of the payments highlighted was made with the Fund for Structural Convergence of Mercosur (Focem), whose installments had been in arrears since 2014. R\$ 50.2 million were paid – R\$ 153 million in March, R\$ 348.5 million in April and R\$ 89.5 thousand in May. The debt discharge allows states and municipalities in the border regions with Mercosur countries access to non-repayable financing for projects in the areas of structural convergence, development of competitiveness, social cohesion and strengthening of the institutional structure and integration process. The following are the **five largest** payments of commitments to International Organizations in arrears on 12/31/2022 and settled in the 1st half of 2023:

Major late contribution payments – 1S 2023.

IO	International Organization	1Q 2023	2Q 2023	1S 2023
FOCEM	Fund for the Structural Convergence of MERCOSUR	153.545.925,72	348.601.901,71	502.147.827
PAHO	Pan American Health Organization	28.382.167,99	69.938.266,43	98.320.434
ICC	International Criminal Court	46.617.976,80	33.553.253,01	80.171.230
WHO	World Health Organization	36.321.945,75	36.052.549,18	72.374.495
FAO	Food and Agriculture Organization of the United Nations		71.276.866,27	71.276.866

Source: SEAID/MPO. Elaboration: SE/MPO

In the field of the payment of quotas in multilateral development banks, the payment of R\$ 140.2 million to the Financial Fund for the Development of the River Plate Basin – FONPLATA is highlighted, which also resulted in the discharge of all outstanding liabilities. This regularization will facilitate the financing of physical and social infrastructure projects in Brazil, with an emphasis on regional integration.

External Financing Committee – Cofix and new projects approved

165th and 166th Cofix meetings: in the accumulated of the year, the preparation of 26 programs and projects financed with external resources and guaranteed by the Union has already been approved, totaling about USD 3.2 billion in investments by the Union and Brazilian states and municipalities. In the first meeting, on 27/04, there were 15 programs and projects, totaling about USD 1.3 billion in investments ([list of projects here](#)) and, in the second, on 01/06, 11 programs and projects, totaling analysis of about USD 1.9 billion in investments ([list of projects here](#)).

These projects address different sectors: infrastructure, social, environmental and modernization of the State. Approximately 88% of the projects already approved under Cofix in 2023 are for States and Municipalities, which depend on the sovereign guarantee of the Union to contract external resources.

Projects and programs approved at Cofix – 1st Semester 2023

Cofix Meetings	Projects and Programs	Amount (USD)	Beneficiaries	Infrastructure Projects	Environmental and Social Projects	State Modernization Projects
165th meeting 27/04/2023						
Municipalities	4	359.838.245	4	1	3	0
States	10	858.100.000	10	3	5	2
Union	1	100.000.000	1	1	0	0
Total	15	1.317.938.245	15	5	8	2
166th meeting 1º/06/2023						
Municipalities	4	626.491.300	4	3	1	0
States	5	929.900.000	5	1	3	1
Union	2	335.000.000	2	0	2	0
Total	11	1.891.391.300	11	4	6	1

Source: SEAID/MPO. Elaboration: SE/MPO

The next Cofix meetings are scheduled for [06/09 and 07/12](#). The next meeting will evaluate up to US\$ 1.515 billion in projects of the Federal Government and US\$ 1.082 billion in projects of subnational entities (in addition to projects of states and municipalities that have adhered to the Fiscal Recovery Regime - RRF, or the Fiscal Balance Plan - PEF, which can reach a value of approximately USD 864 million).

Cofix Meetings 2023	mar 2022	apr 2022	may 2022	jun 2022	jul 2022	aug 2022	sep 2022	oct 2022	nov 2022	dec 2022
165th Meeting										
1										
Release of next meeting's agenda	22/03 ✓									
Pre-Cofix Meeting		20/04 ✓								
Cofix Meeting		27/04 ✓								
166th Meeting										
2										
Cofix Technical Group - submission of Consultation Letters		20/04 ✓								
Release of next meeting's agenda		27/04 ✓								
Pre-Cofix Meeting			26/05 ✓							
Cofix Meeting				1 st /06 ✓						
167th Meeting										
3										
Cofix Technical Group - submission of Consultation Letters					11/07					
Release of next meeting's agenda						02/08				
Pre-Cofix Meeting						31/08				
Cofix Meeting							06/09			
168th Meeting										
4										
Cofix Technical Group - submission of Consultation Letters								10/10		
Release of next meeting's agenda									01/11	
Pre-Cofix Meeting										01/12
Cofix Meeting										07/12

Source: SEAID/MPO. Elaboration: SE/MPO

The meetings calendar and their agendas, in addition to the opinions on the projects are also available on the MPO website, at this [link](#).

Single Portal of External Financing – Grant Taking

In accordance to [COFLEX Resolution n. 19](#), [a public consultation](#) was made on the requirements and criteria of the consultation letters, an initial document submitted by the interested party that aims to request authorization for the preparation of projects financed by external resources. The initiative is part of the **Single Portal of External Financing Project**, based on a single window concept. The portal will increase transparency, agility in project analysis and predictability, and promote the improvement of the criteria for analyzing funding applications.

8. Institutional Articulation

Creation of Subcommittee on South American Integration and Development

A collegiate was created within the scope of MPO's Ministerial Governance Committee, through [Resolution CMG / MPO No. 1, of June 7, 2023](#).

The Subcommittee aims to promote the integration of Brazil with the countries of South America, and will map and elaborate studies, actions and initiatives involving integration infrastructures and regional development, focusing on the Bi-oceanic Corridors. The work, which involves all the Secretariats of the MPO, IPEA and IBGE, should be supported by evidence and integrated with the long-term national strategy, Multiannual Plan, Regional Development Plans, socio-environmental sustainability, and biodiversity preservation.

Throughout the 2nd semester of 2023, the Subcommittee will have weekly meetings with experts from the government, the border federal states, the productive sector and academia. It is expected that the interaction with all involved will result in a report with subsidies and proposals, to be presented to the Minister of State in early 2024.

Subcommittee on South American Integration and Development	jun 2023	jul 2023	aug 2023	sep 2023	oct 2023	nov 2023	dec 2023	jan 2024	feb 2024	mar 2024	apr 2024	may 2024
1 Institution and installation												
Institution of the Subcommittee	07/06 ✓											
Instalação do Subomité a aprovação do Plano de Ação	13/06 ✓											
2 Studies and Presentations												
Technical presentations		20/06 to 23/08										
Presentations - articulating states		05/07 to 22/08										
Presentations - MPO Secretariats			30/08 to 15/09									
3 Consolidation												
Partial Report				29/09								
Plan of Action elaboration					11/10 to 05/12							
Meetings with articulating states								06/02 to 23/04				
Final Report												31/05

Source: SEAI/MPO. Elaboration: SE/MPO

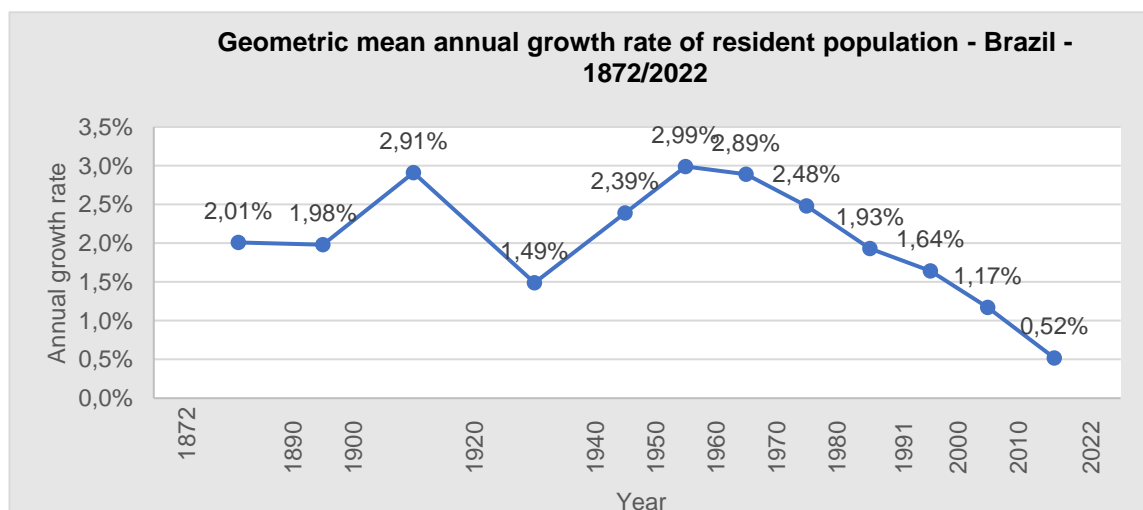
9. Data and Research

Conclusion of the Census

After 12 years, Brazil once again had an updated Demographic Census. Released on 28/06/2023, the 2022 Census updates all demographic and socioeconomic data of the country. Population quantity in all municipalities, living conditions (access to basic sanitation, water distribution, etc.), family size and various other social and economic information are now updated. With complete and up-to-date data, public policies and decisions of private companies can be improved.

By the end of this year, the IBGE will release information with different thematic and geographical cuts of the data captured by the Census. One of the novelties will be the availability of information in interactive and easy-to-use tools, including the georeferencing of Brazilian households, which will contribute to the direction of public policies according to social needs.

The 2022 Demographic Census revealed a population of about 203 million residents and 90.6 million households. Compared to the 2010 Demographic Census, Brazil's population grew by 6.5%, which results in an average annual growth of 0.52%, the lowest rate observed in the series under analysis.



Source and elaboration: IBGE

The Southeast Region continues to be the most populous, with 41.8% of the Brazilian population, followed by the Northeast (26.9%), South (14.7%), North (8.5%) and Central-West (8.0%). The distribution of the population of Brazil in the states and

the Federal District shows that the states of São Paulo, Minas Gerais and Rio de Janeiro remain the most populous, concentrating 39.9% of the total resident population in the country, followed by Bahia, Paraná and Rio Grande do Sul. At the other extreme are the states located on the northern border of Brazil, with Roraima remaining the least populous state (with 636,303 inhabitants), followed by Amapá and Acre.

The country has 5570 municipalities⁷. Of the total number of municipalities in the country, slightly less than half (2,495 or 44.8%) had up to 10,000 inhabitants. These municipalities had a total population of 12,773,818 people (or 6.3% of the population of Brazil). On the other hand, 115,645,436 people (or 57.0% of the population) lived in only 31.9 municipalities, evidencing the concentration of the population in municipalities with more than 100,000 inhabitants.

In Brazil, household density, which is represented by the relationship between people living in occupied permanent private households and the number of occupied permanent private households, increased from 3.3 in 2010 to 2.8 in 2022.

Technical Cooperation Agreement with the Ministry of Human Rights and Citizenship

A Cooperation [agreement between IPEA and the Ministry of Human Rights and Citizenship \(MDHC\)](#) was announced, aiming at the construction of a panel of human rights indicators and evidence-based human rights public policies. In addition, IPEA will collaborate with MDHC in the development of research focused on children and adolescents.

The TCA and the research partnership represent another step, in line with efforts to expand knowledge on cross-cutting issues for the improvement of public policies of the federal government.

Think 20 Brazil Organizing Committee (T20 Brazil)

The Organizing Committee of Think 20 Brazil (T20 Brazil) was officially installed on [30/05/2023](#). It brings together research centers and is responsible for the strategic

⁷ The country has a total of 5568 municipalities, the State District of Fernando de Noronha and the Federal District. For the purposes of simplification, in this text, the analysis by municipalities will include the 5570 federative entities.

thinking of the G20, a group of the largest global economies, with 19 member countries and the European Union. Brazil's committee will mobilize national and foreign *think tanks* to produce studies and recommendations during Brazil's presidency of the G20, starting December 1 of this year. IPEA's partners in the project are the Alexandre de Gusmão Foundation - Funag and the Brazilian Center for International Relations - Cebri.

Data and Studies

Between April and June, in addition to the First Results of Population and Households of the 2022 Demographic Census, we highlight the following studies published by the IBGE in the table below. The disclosed data are important for the formulation, monitoring and review of public policies, because they portray the socioeconomic reality of the country with updated evidence.

Data	Research	Link
05/23	Continuous National Household Sample Survey (PNAD-C) – Income from all sources 2022 – with geographical breakdown for Brazil, Major Regions and Federation Units	click here
05/23	Quarterly Continuous National Household Sample Survey (PNAD-C Quarterly) - Publishes indicators related to the workforce for all geographic levels that the survey addresses, reflecting the situation of the mobile quarter that ends in the month.	click here
05/23	Statistical Yearbook of Brazil Reference Period: 2022 – offers society a synthesis of information of a statistical, geographical, cartographic, geodetic and environmental nature established as necessary for the systematic knowledge of the country.	click here
05/23	Regional Imbalance Coefficient – CDR Reference Period: 2022 – for the North, Northeast and Midwest Regions, calculated based on information from the Continuous National Household Sample Survey - Continuous PNAD.	click here
06/23	System of Quarterly National Accounts – current values and volume indices (1995=100) quarterly for Gross Domestic Product at market prices, taxes on products, value added at basic prices, personal consumption, government consumption, gross fixed capital formation, change in inventories, exports and imports of goods and services.	click here
06/23	Evolution of Quality of Life Indicators in Brazil based on the Household Budget Survey - evolution of Brazilian quality of life indicators based on the Family Budget Survey, which evaluates the structures of consumption, spending, income and part of the variation in the assets of families, offering a profile of the living conditions of the population from the analysis of household budgets.	Click here

For the same period, the following studies published by Ipea also stand out:

Data	Research	Link
04/2023	Boletim Mercado de Trabalho: conjuntura e análise (BMT) brings a series of texts that address various themes related to the universe of work in Brazil.	Click here
05/2023	Dynamics of violence and crime in states of the Northern region, with a special page with seven research and analysis reports.	Click here
06/2023	Text for Discussion 2888: Minha Casa Minha Vida Program: evaluations of adherence to the housing deficit and access to urban opportunities. 2023. Evaluation of the Minha Casa Minha Vida Program, carried out within the scope of the Council for Monitoring and Evaluation of Public Policies (CMAP).	Click here
06/2023	Text for Discussion 2889: Indicators of the countries of the Organization for Economic Cooperation and Development and Brazil. Study on ten strategic indicators analyzed by the Organization for Economic Cooperation and Development (OECD), with the purpose of verifying the performance of Brazil in comparison to the member countries of this organization.	Click here
06/2023	Text for discussion (Preliminary publication): Remuneration of hospitalizations and the table of procedures of the SUS: an analysis from the Hospital Information System (SIH) and the Management System of the Table of Procedures, Drugs and Orthoses and Special Material Prostheses (OPME) of the SUS (SIGTAP).	Click here
06/2023	Text for Discussion 2891: Dynamics of the third sector in Brazil: trajectories of creation and closure of civil society organizations (CSOs) from 1901 to 2020. The research systematizes data on the creation and closure of Brazilian civil society organizations (CSOs) in the period 1901-2020, from the National Registry of Legal Entities (CNPJ) database made available by the Secretariat of the Federal Revenue of Brazil (SRFB). The results presented constitute an unprecedented survey encompassing the set of more than 1 million organizations created in the last 120 years in the country and distributed throughout the national territory.	Click here