



MINISTÉRIO DO
PLANEJAMENTO
E ORÇAMENTO

April
2023

Ministry of Planning and Budget

Quarterly Report

MINISTÉRIO DO
PLANEJAMENTO E
ORÇAMENTO



Ministry of Planning and Budget - MPO¹

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Letter from the Minister

As part of the efforts to unite and rebuild the country we want for all Brazilians, initiated on 1 January 2023, President Luiz Inácio Lula da Silva took an important step for our national planning. The Ministry of Planning and Budget - MPO was recreated by Provisional Measure No. 1,154² with a view to the future. With a deep sense of responsibility and enthusiasm, I accepted the President's invitation to lead the resumption of planning as an organ and practice.

The first Quarterly Report of the new MPO not only symbolizes a historic moment but also represents a commitment to society. The MPO will function as a flight operator, ensuring that all takeoffs and landings – here understood as projects and deliveries of other ministries – occur successfully and smoothly. Our mission is to encourage the best policies, maintain the correct course, avoid collisions and waste. We know that with safety, predictability, and stability, we will be better able to complete the flight plan in proper conditions and land exactly where we want to go.

Efficiency, transparency, and accountability – both fiscal and social – are the premises upon which we recreated the MPO. The poor will have their place in the public budget in a sustainable way, while the permanent fiscal commitment will have new governance instruments recognized worldwide. The challenge ahead of us is clear: to contribute to Brazil's economic growth, in a sustainable way, generate employment and income, protect the poorest, without pressuring inflation or raising our levels of public debt, which depends on balanced public accounts and improving the quality of our spending.

Resource limitation requires us to spend wisely. Evaluating public policies regarding potential redistributive impacts and efficiency gains will be part of our culture. It is inconceivable to spend public money without knowing where and when one wants to go. We must evaluate policies to plan effectively, and the "how" is as important as the "how much" when delivering what society expects and deserves.

Furthermore, we must reactivate GDP on new bases, in a low-carbon economy, which bets on the most modern forms of growth, while reconnecting Brazil to the rest

² After various formats over the decades², the MPO had, between 2019 and 2022, its competences integrated into the defunct Ministry of Economy. Once the merger was reversed, the MPO structure was officially reborn on January 24, 2023, by virtue of Decree No. 11,353.

of the world. Thus, we formed a team with the attributes that I consider most important for the exercise of public service: technical capacity, integrity, diversity, sense of purpose and identity with the values of the Ministry. A joint team that will think about the future of Brazil with more coherence in the medium and long term, knowing how to put planning as a radar for sustainable development.

Twenty-first century planning should be understood as the governmental formatting that allows different actors – public and private – to pursue their legitimate goals with the lowest possible level of friction and overlap. The instruments for this are known and are in our Federal Constitution: the Multiannual Plan (*Plano Plurianual – PPA*), the Budget Guidelines Law (*Lei de Diretrizes Orçamentárias – LDO*) and the Annual Budget Law (*Lei Orçamentária Anual – LOA*). These pieces will be realistic and transparent. We will have a true and participatory PPA, in which society helps us to build the priorities for the period between 2024 and 2027. We will have a Budget that adheres to what we will plant with the PPA, including mechanisms of periodic reviews of expenditures, based on the findings of the impact assessments of public policies.

With IBGE and Ipea we will seek resignification. Ipea will provide us with the necessary technical subsidies for decisions of utmost importance, such as tax reform, and support the PPA development process and evaluation of public policies under the Council for Monitoring and Evaluation of Public Policies (*Conselho de Monitoramento e Avaliação de Políticas Públicas – CMAP*). In the case of IBGE, the conclusion of the Demographic Census after two operations that we led in partnership with other agencies of the Federal Government and society in territories so symbolic in this affective reconstruction of the country: the Yanomami Indigenous Land (in Roraima and Amazonas) and the Brazilian favelas.

This report is a product of active transparency, allowing society to monitor more closely the fulfillment of the commitments agreed by our leaders. The information contained in this, and future Reports explains the commitment of our work with Brazilian society towards a common destination, the Brazil of all our best dreams.

Have a good read,

Simone Tebet

Minister of State for Planning and Budget

1. Highlights

<h2>Commitments of Brazil</h2> <ul style="list-style-type: none"> ■ Social Equity ■ Inclusion ■ Sustainable Development 	<h2>Inclusive Budgeting and Fiscal Equilibrium</h2>
<h2>Multiannual Plan 2024-2027 (PPA)</h2> <p>Advancements in Agendas</p> <ul style="list-style-type: none"> ■ Transversal ■ Multisectoral ■ Gender ■ Equity ■ Environment 	<h2>R\$ 525 million</h2> <h2>Regularization of payments to International Organizations</h2> <p>Settled as of March/2023</p>
<h2>IBGE Budgetary Emergency</h2> <p>R\$ 259,4 million</p> <ul style="list-style-type: none"> ■ Conclusion of the Demographic Census ■ Special census operations in the Yanomami indigenous land and in the favelas 	<h2>Evaluation of Public Policies</h2> <ul style="list-style-type: none"> ■ Improvement of the Process ■ Efficiency of Spending
<h2>New Government's PLDO (Budget guidelines Bill)</h2> <ul style="list-style-type: none"> ■ Transparent ■ Includes forecast for the new fiscal framework 	<h2>Transparency + Agility</h2> <ul style="list-style-type: none"> ■ External financing for public projects

2. Diagnosis

In recent years, Brazilian growth has been characterized by variations below the world average and below comparable emerging countries. The last decade Brazil grew close to the world average occurred in the 2000s, a period comprising the two first Lula mandates. During this time, the economic policy, characterized by fiscal commitment and the reduction of inflation, was harmonized with the inclusion of the poorest Brazilians in the public budget.

Brazil needs to return to sustainable growth and exceed the average of 1.5%, as observed in recent years. For this to happen, it is necessary to resume investment, raise our productivity and bring the poorest families into the economy. A growth rate closer to the world average (about 3% of GDP) will require the GDP investment rate to return to the level of 20% and the change in productivity to move towards positive ground.

The new fiscal framework and tax reform are necessary conditions for greater economic development because by improving the business environment, giving greater predictability to the entrepreneur, and reducing the “Brazil cost” (reducing compliance costs), there will be greater capital investment and development of new technologies.

Last March, the Federal Government presented the new fiscal framework, whose objectives are to ensure the resumption of essential spending to the population and keep the public debt under control. The essential pillars of the new framework are to convey credibility of fiscal policy and reduce uncertainties regarding the solvency of public debt through a trajectory of improvement of the primary result for the coming years. In addition, the new fiscal rule aims to converge various demands of society. With a credible rule, it is ensured that the increase in expenditure is lower than that of revenues, but spending on investment, education and health will be reinstated.

Another essential measure to achieve the goal of a more prosperous and equal Brazil is tax reform. For several legislatures, the National Congress and the Executive have sought to correct several distortions arising from our tax system, which significantly increases the cost of producing and investing in the country. According to OECD data³, a company in Brazil spends, on average, 1,500 hours per year to prepare

³ Indicator released by the World Bank that presents the time (in hours) to prepare and pay the taxes of the three main groups, namely, corporate income tax, goods (sales and production) and labor.

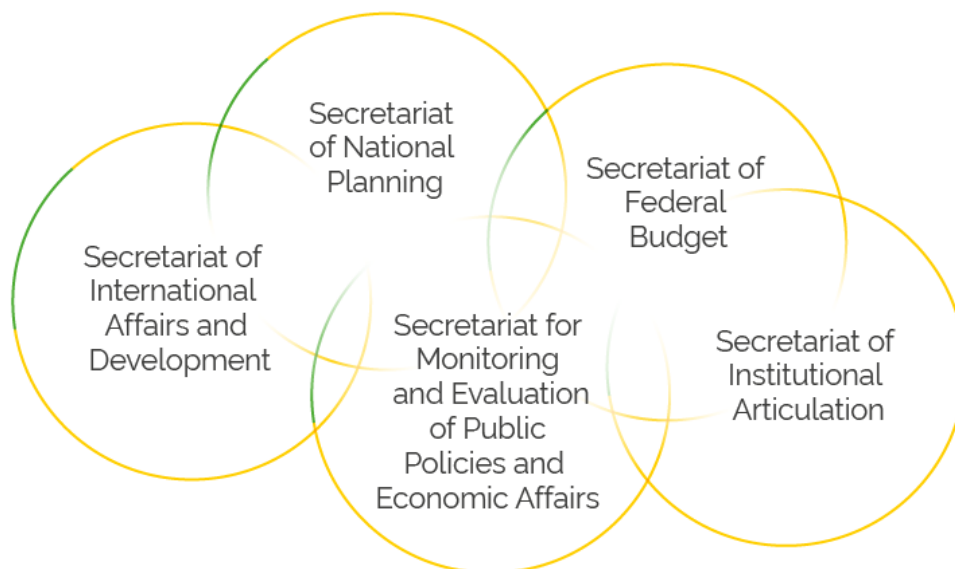
and pay taxes (profit, production/sales and labor). In the rest of the world, adapting to taxes takes an average of 233 hours. In countries comparable to Brazil such as Mexico, India, Colombia and Chile, this time is 240 to 300 hours per year, almost five times shorter than in our country.

Moreover, due to the complexity of the tax system in Brazil, resulting from different rates by product and regions and many exceptions, federal tax litigation with active companies is equivalent to R\$ 1.6 trillion and there are almost 150 thousand lawsuits⁴. In addition to being costly, the time to solve these cases is long, with a median duration until the decision of 6 years and 8 months. The sluggishness and size of litigation are not limited to a few Brazilian states or economic sectors but are widespread throughout the economy.

In addition to being essential for economic growth, the two measures, the new fiscal framework, and the tax reform, are fundamental to reducing inequality and including the poor in the budget. The recovery of the level of essential expenses for an unequal economy like the Brazil's, ensuring the solvency of the public debt, demands corrections in the tax system. Thus, a more transparent, more progressive, less distorted and, above all, less unequal tax system is necessary.

⁴ Diagnosis of Administrative Tax Litigation – Federal Revenue Service of Brazil. See interactive *dashboard* in: <https://abjur.shinyapps.io/bidTrib/>

3. Reconstruction of the Ministry of Planning and Budget



The reconstruction of the Ministry of Planning and Budget (MPO), abolished by the previous government, was based on the new government's commitment to planning for Brazil's future and budget transparency. Under the diagnosis that the subject was undersized between 2019 and 2022, when it was only one department within the Federal Budget Secretariat of the then Ministry of Economy, the new management sees that planning needs to be valued to bring predictability to society and generate engagement from different agents (companies, social movements, financial markets, trade unions, NGOs, etc.). In addition, public money management must always be carried out responsibly and with maximum transparency.

The fragility of the planning system can generate serious failures in the execution of public policies, either as discontinuity problems due to lack of prioritization and phasing of budget schedules, or by overlapping public policies, with excessive application of limited resources. Planning focuses on medium and long-term visions so that efficient public policies are continuously included in the annual budget and reconcile fiscal responsibility and economic stability with the advancement of social agendas.

The new MPO seeks greater integration among the themes of budget, planning, evaluation, and the country's international insertion with international organizations. A separate Secretariat was allocated for each of these themes. The Secretariats observed,



Brazilian represented in planning and budgeting, without neglecting fiscal responsibility

in their formation, the determinations of Minister Simone Tebet: gender parity; transparency of acts and procedures; thematic modernization; Brazil's reconnection with the most current governance issues in the world.

These Secretariats must act in alignment in pursuit of the development objectives established by the Lula-Alckmin government. Such objectives will also be pursued internationally, especially in the Ministry's participation in international organizations and the applications for external financing granted to the Union and to subnational entities. It is possible to improve the flows and transparency of such applications with a view to better aligning them with development objectives.

From an administrative point of view, the new MPO also brings new features. The Ministry becomes part of the service sharing system. Thus, by virtue of § 3 of article 70 of Provisional Measure No. 1,154, of January 1, 2023, the Secretariat of Corporate Management of the Ministry of Management and Innovation in Public Services will act as provider of the administrative demands (personnel, logistics, information technology, material) presented by the Ministry of Indigenous Peoples, the Ministry of Finance, the Ministry of Development, Industry, Trade and Services and this Ministry of Planning and Budget.

Publications

Until March 31 2023, the MPO issued dozens of normative Ordinances, published in Section 1 of the Official Gazette of the Union. The catalog of regulations can be found [at this link](#). It will be updated periodically and will contain direct reference to the website of the Official Gazette. Information on the validity of each act will also appear in the catalogue.

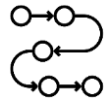
4. Budget

New Fiscal Framework

Under Constitutional Amendment No. 126, of December 21, 2022, the federal government⁵ presented the pillars of the new fiscal framework on 03/30/2023. The Bill of Supplementary Law will be sent by the government to Congress in April, with all the technical details.

The result of joint work between the economic Ministries of the federal government, the new model is more transparent, simple, flexible, and credible, giving greater predictability to the public debt trajectory. The new framework establishes bands for the primary result and links expenses growth to a percentage never higher than 70% of the real growth of revenues, limited to the ceiling of real growth of primary expenditures to 2.5% p.a. In addition, it ensures floor for investments, protecting state planning. The design reduces the risk of discontinuity of public works and ensures social spending, while aiming to improve the quality of public spending.

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



Improvement in primary deficit projection

In accordance with the results presented in the [Primary Revenue and Expenditure Assessment Report for the first two months of 2023](#)⁶, it was reported that the estimate of the primary deficit for 2023 fell from R\$ 228.1 billion as provided for in the annual

⁵ Art. 6 The President of the Republic shall forward to the National Congress, until August 31, 2023, a Bill of Supplementary Law with the objective of establishing 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 the [item III of the head of article 167 of the Federal 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, a limitation of the commitment of budget appropriations may be promoted, as well as a limitation of financial movement with a view to achieving the primary result target. 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 Article 107 of the Transitional Constitutional Provisions Act.

budget law (LOA 2023) to R\$ 107.6 billion, representing a decrease from 2.1% to 1.0% of the Gross Domestic Product (GDP).

Budget and financial programming decrees 2023

[Decree No. 11,415, of 02/16/2023](#), 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. The publication occurs 30 days after the sanction of the Annual Budget Law (*Lei Orçamentária Annual - LOA*), as determined by the Fiscal Responsibility Law (*Lei de Responsabilidade Fiscal - LRF*) and the Budget Guidelines Law (*Lei de Diretrizes Orçamentárias - LDO*) of 2023. Subsequently, in compliance with article 9 of the LRF, Decree No. 11,457, of March 30, 2023, was published, amending Decree No. 11,415, of 2023, considering the information contained in the evaluation report of primary revenues and expenses of the 1st quarter of 2023.

Budget Adjustments

The restructuring of the ministries required budgetary adjustments to enable the budget to be compatible with the new competencies of federal agencies and entities. The GM/MPO [Ordinance 13/2023](#), the main adjustment act, transferred funds from the 2023 Budget Law (LOA-2023) to the new configuration of the Federal Government, composed of 37 ministries, in accordance to Provisional Measure no. 1,154, of January 1, 2023, which established the basic organization of the organs of the Presidency of the Republic and the Ministries. Known as the “FROM/TO” Ordinance, it adjusted budgetary programming of LOA-2023 in the amount of R\$ 969 billion, including those with regard to parliamentary amendments, so that the agencies or entities that received the administrative powers are the holders of the schedules and respective budget appropriations. In addition, other acts of the same nature were issued, also adjusting another R\$ 4 billion, including individual amendments. It should be noted, however, that other adjustments to the budget schedule may be carried out with a view to better

R\$ 969 billion

Readjusted in budget schedules, including parliamentary amendments, according to the new administrative structure of the Ministries

matching the budget to the competencies of each Ministry and the needs of Brazilian society.

Budget and gender equity

In January 2023, the 2nd edition of the ["Women in the Budget" Report](#) was published, for the year 2022. The work is another step to ensure that the Brazilian government can adopt measures aimed at gender equity policy, focusing on women's quality of life.

Emergency budgetary assistance for IBGE

R\$ 259.4 million authorized for the completion of the Census, in accordance to [Ordinance GM/MPO No. 30, of March 6, 2023](#).

Budget Guidelines Law Bill (PLDO) for 2024.

The [Budget Guidelines Law Bill \(PLDO\)](#) 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, 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.

Within the scope of the Executive Branch, it is up to the MPO, through the Federal Budget Secretariat, to prepare the PLDO. In this fiscal year, the lawmaking process began in January under the MPO and subsequently involved the participation of agencies and technical units of the Federal Public Administration.

The Constitution establishes that the Executive Branch must submit the PLDO for evaluation by the National Congress annually by April 15th.

5. Planning

Since January 2023, the process of formulating the Multiannual Plan – PPA, a medium-term planning instrument defined by the Federal Constitution, whose deadline for referral to the National Congress is 31 August, along with the Annual Budget Law (LOA), has been underway. The PPA marks the path to be taken to build a four-year legacy that is transformative. It indicates what are the programs defined by the government for the four-year period (2024-2027), the objectives for each of them, as well as the goals to be achieved according to government priorities. It should also be aligned with Brazil's other two budget laws, the Budget Guidelines Law (LDO) and the LOA.



More participatory planning, with fewer overlaps

The Multiannual Plan 2024-2027⁷ brings as innovations: a) coordination of the National Planning Network; b) Participatory PPA; c) strengthening of the strategic dimension of the PPA; d) new structure of the PPA; e) Transversality and Regionalization.

Coordination of the National Planning Network. In addition to the Ministries, which technically build the instrument, on 16 March, the MPO met with all the planning secretaries of the 26 States and the Federal District for the presentation and discussion of a new and effective PPA that allows for the construction of efficient public policies connected to territorial realities. In addition, between 20-24 March, a [virtual training was held regarding the process of preparation of the PPA](#), with over a thousand accesses per day from public agents of the Union, states and municipalities. From 13 April, 120 sectoral workshops will be held, during which approximately three thousand employees of the Ministries will be mobilized to develop the programs, objectives, indicators, and goals of the PPA. Also in April, workshops will be held with the Superintendencies of Regional Development, SUDAM, SUDECO and SUDENE, to promote the coordination between the regional plans and the PPA.⁸

Participatory PPA. Entities and movements of organized civil society, state, and municipal governments, as well as the citizen, will have the opportunity to discuss the

⁷ The Ministry of Planning and Budget (MPO) published on March 17th o [Multiannual Plan Technical Manual \(PPA\) from 2024 to 2027](#). The manual, which told the technical collaboration of Ipea, is a practical guide that aims to pacify concepts, present the working method and the referential scheme, give guidelines, and serve as a guide so that all participants in the process of elaboration of the PPA can contribute effectively to the Plan.

⁸ The training process took place through Webinars. Classes [1](#), [2](#), [3](#), [4](#) and [5](#) were made available on Enap's YouTube channel.

PPA, prioritize programs and contribute to the strengthening of the Plan. The participatory process will begin in the second half of April, with the 1st Inter-council Forum, which will bring together representatives of social movements and organized entities to discuss the strategic dimension of the PPA: vision of the future, values, guidelines, and strategic axes. Starting in May, consultations will be expanded to the states, with 27 regional forums held. Simultaneously with the regional forums, a digital platform for participation will be made available so that all Brazilians can be heard. The Secretariat of Social Participation of the Presidency coordinates the participatory process, with the technical support of the Secretariat of National Planning (SEPLAN).

Strengthening of the strategic dimension of the PPA. This means having as elements Vision Statement, Values, Guidelines, Axes and Strategic Objectives. For the first time, there will be a set of national key indicators that allow the monitoring of national strategic goals. A situational base document, with national and global trends and its effects on the country, was developed. This strategic dimension will guide the formulation of programs and public policies.

New structure of the PPA. The structure of the PPA 2024-2027 has also undergone an improvement process to promote greater alignment between the strategic and tactical dimensions of the Plan. The programs will be linked to the strategic objectives, which clearly identify the main challenges of the period. The strategic guidelines also guide the development of programs regarding transversal themes that need to be observed in the construction of public policies. In the tactical dimension, new attributes allow specific objectives of each program to be monitored, including through regionalized goals.

Transversality and Regionalization. As a novelty in relation to the previous PPAs, we highlight the transversal, multisectoral, gender, equity and environmental (climate change) guidelines that will be observed and considered in the development of government programs. In addition, there is guidance so that the specific objectives, as well as the deliveries of the PPA programs, have regionalized goals.

It is expected that the PPA will be discussed and approved in the National Congress by December 2023. Once approved, the PPA will be monitored, have its results evaluated and be reviewed annually. This process will allow its continuous improvement.

The schedule for the preparation of the PPA 2024-2027 has been fulfilled and comprises the following **steps**:

PPA schedule and development phases		Mar 03	Apr 04	May 05	Jun 06	Jul 07	Aug 08
Sistemization of the strategic dimension							
1	Vision Statement, Values, Guidelines, Axes and Strategic Objectives. (march-april)						
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 (april-june).						
1st cycle of workshops: programs and objectives			13/04 to 25/04				
Qualitative uptake of programs and objectives in SIOP			13/04 a 28/04				
Meeting with Deputy Ministers and National Secretaries				1 ^o /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 cycle of workshops: goals and indicators				10/05 to 16/06			
Qualitative uptake: programs attributes				29/05 to 28/07			
Quantitative PPA: goals and indicators						03/04 to 28/07	
Validation of program attributes				29/05 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					15/06 to 16/06		
Consultation Phase in the states					11/05 to 10/07		
Virtual Platform of participation					11/05 to 10/07		
Consolidation of contributions						11/07 to 10/08	
Consolidation							
4	Consolidation of contributions, final draft and project sent to the National Congress (august).						
Ministerial meeting - PPA 2024-2027 presentation and participatory process report							21/08
3rd National Inter-council Forum							By August 31th
Ceremony of delivery of the PLPPA to National Congress and the PPA participatory process report							By August 31th

6. Monitoring and Evaluation of Public Policies

Continuation of the 2022 cycle

The first commitment in the evaluation theme was to avoid any discontinuity in ongoing processes. This ensures the maintenance of the evaluation process between governments and strengthens the role of the Council for Monitoring and Evaluation of Public Policies (*Conselho de Monitoramento e Avaliação de Políticas Públicas - CMAP*) as a state policy. In total, 15 public policies related to the 2022 cycle are under evaluation, eight of which are subsidies and seven are direct spending, totaling R\$ 17.5 billion. The follow-up with the evaluators was resumed and the delivery schedule is maintained, with the execution stage expected to be completed by April 30th.

Subsidies evaluated in the 2022 cycle	Direct expenses evaluated in the 2022 cycle
Merchant Marine Fund	Basic Education Examinations and Assessments
Land Fund	Management of properties of the Ministry of Foreign Affairs
Proex – Export Financing Program	SasiSus (Indigenous Health)
Social Security Benefits and Fapi	Sanitary Sewage
Biodiesel – Tax exemption of PIS / COFINS	S&T Promotion
S&T research expenses	Nuclear Policy
PRONAC - National Program for Culture Support	S&T Promotion in Health
PROUNI - Single Portal for Access to Higher Education	

As for the 2023 cycle, it will feature the evaluation of nine other policies, totaling R\$ 4.7 billion, and is currently in the stage of formulating evaluative questions. This first stage is expected to last until the end of April, and the novelty has been the promotion of greater proximity between managers, evaluators, and specialists, in order to improve the quality of evaluations and encourage a culture of using evidence for constant improvement of public policies.

Subsidies to be evaluated in the 2023 cycle	Direct expenses to be evaluated in the 2023 cycle
Proer	Water Truck Operation
Climate Fund	Judicial and Extrajudicial Representation of the Union and its Autarchies and Federal Foundations
IR Deduction for Sponsorship or Donation	Wi-Fi Brazil
0% PIS/Cofins on natural gas and coal for electricity generation	Environmental Control and Inspection
	Humanitarian reception of migrants and strengthening of border control

CMAP Diagnostics

Since 2019, CMAP has evaluated 45 public policies that amount to more than R\$ 1 trillion. The incidence of these evaluations in improving the quality of public spending has been mostly via intensive margin, that is, by improving the design and functioning of the policies evaluated. However, it is possible that the evaluations conducted by CMAP can contribute to the quality of public spending through budget relocations, taking into account the priorities defined by the government's commitment (extensive margin).

Currently, the device to act on the extensive margin is the communication with the National Congress, which is done through the provision of a report for each evaluation cycle. The diagnosis on CMAP produced so far identified the following opportunities for improvement: (1) adjusting the execution evaluation process (closer proximity between managers and evaluators), (2) selecting and training evaluators and evaluation coordinators more adherent to the principles recommended by the CMAP, (3) new criteria that select policies to be evaluated, taking into account transversality and government priorities, (4) updating evaluation guides, bringing greater precision to the concepts and incorporating lessons learned, (5) shortening the evaluation cycle for some evaluative questions that can be answered with agility, (6) improving communication pieces of the evaluations and its results, (7) identifying new mechanisms to influence the improvement of the quality of spending, considering tools used in



Review and improvement of public spending

international experiences of "spending review". Based on this diagnosis, a theory of change was created to explain what will be necessary to achieve the strategic objectives of the government considering the production of CMAP and the continuous improvement of the quality of its evaluations.



Based on this diagnosis, proposals will be formulated to be discussed at the first meeting of the CMAP, scheduled for May.

New Decree will redefine CMAP attributions and composition

The new decree will amend Decree No. 9,834 of June 12, 2019. With publication scheduled for April, the drafting process was done in a participatory manner, and the changes proposed are consistent with what is exposed in the abovementioned theory of change.

Guidelines for re-evaluation of programs by agencies

The MPO issued [guidelines](#) to the agencies with the aim of improving the ongoing public policies in the federal government that involve financial resource expenditures or revenue waivers from the direct administration agencies of the Federal Executive Branch. The Guidelines enable compliance with the provisions of article 1 of the [Inter-ministerial Ordinance MF/MPO/MGI No. 1, of January 11, 2023](#), which provides for the implementation of actions aimed at evaluating and improving the policy of cost management and programs within the scope of the Federal Executive Branch, with the objective of increasing the Union's investment capacity..

Statement of financial and credit benefits

The Statement of Financial and Credit Benefits (DBFC) of the Accountability of the Presidency of the Republic (PCPR) was delivered to the Court of Auditors of the Union (TCU) on 31 March 2023. It presents the calculation and consolidation of information on the support provided by the Union to the operationalization of loans on terms more favorable to borrowers than the cost of public debt financing (credit benefits) and information on other forms of support to reduce the price of the acquisition of goods and services by the population and productive sectors (financial benefits). The technical reports were sent to the TCU and the Ministry of Finance, responsible for Tax Benefits.

7. International Affairs and Development

Regularization of Payments to International Organizations

The MPO is responsible for the payment of contributions to all international organizations in which Brazil participates.

In the context of Brazil's international reintegration efforts, the Ministry is prioritizing the payment of all outstanding contributions (there are still unpaid amounts from previous fiscal years). Brazil still has a debt of R\$ 2.49 billion from previous fiscal years, in addition to R\$ 1.79 billion in contributions and payments for the 2023 fiscal year, resulting in a total of R\$ 4.28 billion in payments to be made.

*Reinsertion of
Brazil in the
international
arena*



Systematic delays in meeting these obligations have generated political costs for Brazil. Brazil lost the right to receive resources (as was the case with the Structural Convergence Fund of Mercosur - Focem), and in others, Brazil lost the right to vote (such as in the International Criminal Court and UNESCO). Therefore, the resumption of payments is a necessary step towards Brazil's own return as a key player in the international arena. By March 2023, approximately R\$ 525 million had already been paid. The next step will be to propose a modification of the budgetary treatment of such contributions in order to ensure the payment of quota integrations and regular contributions to international organizations established in public international law in which federal public administration agencies and entities participate. In this way, it is ensured that Brazil's interests within the various multilateral forums will be represented and that the country will once again have an active voice in the world.

R\$ 525 million

*Paid up to
March 2023*

Update of the governance of the Commission on External Financing – Cofix and reform of the external financing system

For 2023, operating limits have been approved in the following amounts: US\$ 2 billion for federal government projects, US\$ 4.5 billion for projects of subnational entities, and US\$ 1 billion for projects of entities participating in the Fiscal Recovery Regime (*Regime*

de Recuperação Fiscal – RRF) and the Fiscal Equilibrium Promotion Plan (*Plano de Promoção e Equilíbrio Fiscal – PEF*).

These projects address different fronts such as infrastructure, urban mobility, sanitation, among others. Approximately 70% of the resources approved under Cofix are for projects in States and Municipalities, which cannot contract external resources without the Union's sovereign guarantee.

Decree No. [11,448 of 21 March 2023](#), updated Decree No. 9,075 of June 6, 2017, which provides for the composition and powers of the Commission on External Financing – Cofix. It is up to the Ministry of Planning and Budget, through its Secretariat of International Affairs and Development – SEAID, to evaluate the technical and operational aspects of the public sector project or programs linked to external resources (article 4, II of Decree No. 9,075/17).

Cofix meetings in 2023, held quarterly, are scheduled for 27 April, 1 June, 6 September and 7 December. The first meeting will approve up to US\$ 500 million in projects from the Federal Government and US\$ 1.125 billion in projects of subnational entities. Twenty-five projects will be evaluated, four of which are from the Federal Government and 21 from subnational entities, covering all regions of the country.

In addition to making the meeting calendar and agendas public, opinions on the projects will also be made available on the MPO's website. This unprecedented measure in the history of Cofix aims to give more transparency and predictability to the entire process.

Single Window for External Financing

Based on the concept of a single window, the objective of the Portal is to reduce the approval time of financing while promoting better project quality. In short, it aims to improve the use of available resources for the population. As the first step in the redesign of the procedural flows, in April, the MPO will launch a call for input on the requirements and criteria for letter of consultation, an initial document submitted by interested parties seeking authorization for the preparation of projects financed by external resources.

Brazilian performance with the Multilateral Development Banks

The MPO coordinates Brazil's participation in the Inter-American Development Bank (IADB), the Development Bank of Latin America (CAF), Fonplata, the Caribbean Development Bank and the African Development Bank.

Brazil will advocate that these banks prioritize projects focused on technological development and the transition to a sustainable and low-carbon economy, as well as initiatives to support small businesses and female entrepreneurship.

Brazil's work with the Organization for Economic Cooperation and Development - OECD

The OECD is a platform for sharing best practices in public policy. Promoting good practices helps foster competition and innovation, prioritize the climate change agenda, and implement evidence-based public policies focused on reducing poverty and inequality. These principles are shared by Brazil and the OECD. Brazil also has much to contribute to the Organization, exercising its leading role with developing countries in the formulating rules, principles, and public policy recommendations among OECD members.

The MPO has expressed its interest in following the discussions held in OECD groups/committees dealing with issues related to the development financing agenda, thus contributing to the increase of the Federal Government's engagement with the Organization.

8. Data and Research

Conclusion of the Census

The MPO inherited the great challenge of finalizing the Demographic Census. Started on 1 August 2022, the census had not yet been completed when the new government took office on 1 January 2023.

Since the start of Tebet administration, it was understood that concluding the census was a priority, including the implementation of special census data collection operations for important and historically ignored population groups. In this sense, the coverage of the 2022 Census household collection was concluded on 28 February 2023, with more than 91% of the population enumerated. The final tabulation is scheduled for the second quarter of 2023. The final stage of the Census involved concentrated efforts regarding the most difficult access points:

Completion of the Demographic Census in the Yanomami Indigenous Territory:

On 7 March 2023, a partnership was established with the Ministry of Justice and Public Security, the Ministry of Indigenous Peoples, the Ministry of Health, and the Ministry of Defense to support the work of IBGE census takers in hard-to-reach areas, covering 169 Yanomami villages in Roraima and three in Amazonas. The operation involved the work

27 thousand

Census takers in special operation on Yanomami land

of 110 employees, from IBGE technicians to agents of the Federal Highway Police (PRF), all complying with health protocols established by the Ministry of Health under Federal Supreme Court ADPF 709, which establishes the sanitary barrier in the region. The operation lasted 23 days, and about

47% of the most difficult-to-reach census sectors in the country that had not yet been visited were enumerated. The census counted more than 27,000 people in the Yanomami Indigenous Territory, including 5,600 indigenous people enumerated in the most remote areas. As Minister Simone Tebet stated, the mega-operation aimed to count, for the first time in our history, how many Yanomami people we are.

Census in the Favelas: there are 11,403 favelas in Brazil. Most residents of Brazilian favelas were registered within the regulatory deadline. Since 25 March, the IBGE has been making concentrated efforts in the largest favelas of the 26 capitals and the Federal District in search of areas that were not collected within these communities.

The effort is a joint action of the MPO with the Central Union of the Favelas (Central Única das Favelas – Cufa), Data Favela and IBGE.

Technical Cooperation Agreement with the Ministry of Cities

Signed on 29 March 2023, the agreement has a duration of four years and aims to carry out actions for the supply of data in the elaboration of the 2022 Census and other economic, social, and household surveys. The cooperation aims to improve the competencies exercised within the Ministry of Cities. Areas such as urban development, housing, sanitation, and mobility will benefit from the use of primary data produced by the IBGE, increasing the quality of the formulation and implementation of corresponding public policies.

*Public policies
informed by
evidence. Data-
driven evidence*

