

International Budget Partnership  
**OPEN BUDGET QUESTIONNAIRE**

# **BRAZIL**

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# International Budget Partnership OPEN BUDGET QUESTIONNAIRE BRAZIL

<b>Section One: The Availability of Budget Documents</b> .....	4
Table 1. Budget Year of Documents Used in Completing the Questionnaire .....	5
Table 2. Key Budget Documents Used: Full Titles and Internet Links.....	6
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal.....	8
Table 4. Distribution of the Enacted Budget and Other Reports .....	9
<b>Section Two: The Executive’s Budget Proposal</b> .....	10
Estimates for the Budget Year and Beyond.....	11
Estimates for Years Prior to the Budget Year.....	23
Comprehensiveness.....	32
The Budget Narrative & Performance Monitoring.....	41
Additional Key Information for Budget Analysis & Monitoring .....	47
<b>Section Three: The Budget Process</b> .....	55
Executive’s Formulation of the Budget .....	56
Legislative Approval of the Budget.....	60
Executive’s Implementation of the Budget.....	65
Year-end Report and the Supreme Audit Institution .....	77

## **Section One: The Availability of Budget Documents**

## Table 1. Budget Year of Documents Used in Completing the Questionnaire

*Please indicate the budget year of the document used to complete the questionnaire. If the document is not available to the public, please state, "Not Available."*

<b>Budget Documents Used in Completing the Questionnaire</b>	
<i>As explained in the guide to the questionnaire, documents from a variety of fiscal years are referred to throughout the questionnaire. Please indicate below for which fiscal year responses to questions relating to each report or experience were based on.</i>	
	Budget Year Used
Pre-Budget Statement	2006
Budget Summary	2006
Executive's Budget Proposal	2006
Supporting Budget Documents	2006
Citizens Budget	Not available
Enacted Budget	2007
In-Year Reports	2007
Mid-Year Report	Not Available
Year-End Report	2005
Audit Report	2005

## Table 2. Key Budget Documents Used: Full Titles and Internet Links

*Please provide the full title, date and Internet link for all documents to be cited in Sections 2 & 3.*

*If an Internet link is not available for the document, please indicate one of these three answers: “Not Produced,” “Produced but Not Available to the Public,” “Publicly Available, but Not on the Internet.”*

Budget Document	Full Title, Date, and Internet Link
Pre-Budget Statement	<a href="http://www.planejamento.gov.br/orcamento/conteudo/legislacao/legislacao_sof.HTM">http://www.planejamento.gov.br/orcamento/conteudo/legislacao/legislacao_sof.HTM</a> <a href="http://www.planejamento.gov.br/arquivos_down/sof/999_mensagem2005.pdf">http://www.planejamento.gov.br/arquivos_down/sof/999_mensagem2005.pdf</a>
Budget Summary	<a href="http://www.planejamento.gov.br/arquivos_down/sof/apresMinistroNelson_orc2005.ppt">http://www.planejamento.gov.br/arquivos_down/sof/apresMinistroNelson_orc2005.ppt</a>
Executive’s Budget Proposal	<a href="http://www.planejamento.gov.br/orcamento/conteudo/orcamento_2005/orcamento_2005.htm">http://www.planejamento.gov.br/orcamento/conteudo/orcamento_2005/orcamento_2005.htm</a>
Budget Document One in Support of the Executive’s Budget Proposal	<a href="http://www.planejamento.gov.br/orcamento/conteudo/orcamento_2005/orcamento_2005.htm">http://www.planejamento.gov.br/orcamento/conteudo/orcamento_2005/orcamento_2005.htm</a>
Budget Document Two in Support of the Executive’s Budget Proposal	
Budget Document Three in Support of the Executive’s Budget Proposal	
Citizens Budget	Not available
Enacted Budget	<a href="http://www.planejamento.gov.br/orcamento/conteudo/orcamento_2005/orcamento_2005.htm">http://www.planejamento.gov.br/orcamento/conteudo/orcamento_2005/orcamento_2005.htm</a>
In-Year Reports	<a href="http://www.planejamento.gov.br/arquivos_down/sof/orcamento_2005/Relatorio_Congresso2005">http://www.planejamento.gov.br/arquivos_down/sof/orcamento_2005/Relatorio_Congresso2005</a>
Mid-Year Review	<a href="http://www.planejamento.gov.br/arquivos_down/sof/orcamento_2004/Relatorio_Avaliacao_3_bimestre.pdf">http://www.planejamento.gov.br/arquivos_down/sof/orcamento_2004/Relatorio_Avaliacao_3_bimestre.pdf</a> This document cannot be considered as Mid-year Review, according to the OBI methodology.

Year-End Report	<a href="http://www.presidencia.gov.br/cgu/bgu2003/index.html">http://www.presidencia.gov.br/cgu/bgu2003/index.html</a>
Audit Report	<a href="http://www2.tcu.gov.br/portal/page?_pageid=33,442508&amp;_dad=portal&amp;_schema=PORTAL">http://www2.tcu.gov.br/portal/page?_pageid=33,442508&amp;_dad=portal&amp;_schema=PORTAL</a>
Other Documents	Technical budget manual <a href="http://sidornet.planejamento.gov.br/docs/mto2004/manual.htm">http://sidornet.planejamento.gov.br/docs/mto2004/manual.htm</a>
Relevant Ministries & Departments	<a href="http://www.planejamento.gov.br/">http://www.planejamento.gov.br/</a> <a href="http://www.fazenda.gov.br/">http://www.fazenda.gov.br/</a> <a href="http://www.stn.fazenda.gov.br/">http://www.stn.fazenda.gov.br/</a> <a href="http://www.tcu.gov.br">www.tcu.gov.br</a> <a href="http://www.camara.gov.br/internet/orcament/principal/">http://www.camara.gov.br/internet/orcament/principal/</a> <a href="http://www.senado.gov.br/sf/orcamento/siga/siga.asp">http://www.senado.gov.br/sf/orcamento/siga/siga.asp</a>

**Table 3. Distribution of Documents Related to the Executive’s Budget Proposal**

<b>DISTRIBUTION OF BUDGET DOCUMENTS</b>						
<i>For the following reports, place “Yes” in the appropriate row below to indicate if the report is:</i>						
	Pre-budget	<b>Executive’s Budget Proposal</b>				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
A. Not produced, even for internal purposes						Yes
B. Produced for internal purposes, but not available to the public						
C. Produced and available to the public, but only on request						
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes	Yes	Yes	Yes	
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>						
	Pre-budget	<b>Executive’s Budget</b>				Citizens budget
		Main document	Budget summary*	Supporting Document 1	Supporting Document 2	
1. The release date is known at least one month in advance	Yes	Yes	Yes	Yes	Yes	NA
2. Advance notification of release is sent to users, media	Yes	Yes	Yes	Yes	Yes	NA
3. Released to public same day as official release to media	No	No	No	No	No	NA
4. Available on the Internet free of charge	Yes	Yes	Yes	Yes	Yes	NA
5. Free print copies available, limited distribution	No	No	No	No	No	NA
6. Free print copies available, mass distribution	No	No	No	No	No	NA
7. Readily available outside capital and/or big cities <sup>+</sup>	Yes	Yes	Yes	Yes	Yes	NA
8. Written in more than one language	No					NA
9. News conference is held to discuss release	Yes	Yes	Yes	Yes	Yes	NA

\*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary.

<sup>+</sup>Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

**Table 4. Distribution of the Enacted Budget and Other Reports**

<b>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</b>					
<i>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
A. Not produced, even for internal purposes			Yes		
B. Produced for internal purposes, but not available to the public					
C. Produced and available to the public, but only on request					
D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)	Yes	Yes		Yes	Yes
<i>For budget reports that are produced and distributed to the public, what steps does the executive take to distribute these reports and to promote interest in them? For each characteristic, mark “Yes” if yes, “No” if no, or “NA” if Not Available.</i>					
	Enacted budget	In-year reports	Mid-year review	Year-end report	Audit report
1. The release date is known at least one month in advance	Yes	Yes	NA	Yes	Yes
2. Advance notification of release sent to users, media	Yes	Yes	NA	Yes	Yes
3. Released to public same day as official release to media	No	No	NA	No	No
4. Available on the Internet free of charge	Yes	Yes	NA	Yes	Yes
5. Free print copies available, limited distribution	No	No	NA	No	No
6. Free print copies available, mass distribution	No	No	NA	No	No
7. Readily available outside capital/big cities <sup>+</sup>	Yes	Yes	NA	Yes	Yes
8. Written in more than one language			NA		
9. News conference is held to discuss release	Yes	Yes	NA	Yes	Yes

<sup>+</sup>Mark “Yes” if access is available by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities.

## Section Two: The Executive's Budget Proposal

*Notes on abbreviations:*

BY = budget year (year for which the budget proposals are being made)

BY+1 = one year beyond the budget year

BY-1 = one year before the budget year

*Please mark your answer by placing the appropriate letter in the box to the right of the question. For all answers marked "not applicable/other," please provide a brief explanation indicating either why the answer choices provided are not applicable or why another response would be more appropriate.*

<b>The Executive's Budget Proposal</b>	
<b>Estimates for the Budget Year and Beyond</b>	
<p>1. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ol style="list-style-type: none"> <li>a. All expenditures are classified by administrative unit.</li> <li>b. Expenditures are classified by administrative unit, but some small units are not shown separately.</li> <li>c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.</li> <li>d. No expenditures classified by administrative unit are presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> The Technical Budget Manual (Manual Técnico Orçamentário, MTO) Secretariat of Federal Budget - Ministry of the Planning, Budget and Management lays down an Institutional Classification into Budget Agencies and Units (Órgãos e Unidades Orçamentárias), and all expenditures must be classified into these two levels for all the Units of the Three to able of the Union</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>2. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?</p> <ol style="list-style-type: none"> <li>All expenditures are classified by functional classification, and the categorization is compatible with international standards.</li> <li>All expenditures are classified by functional classification, but the categorization is not compatible with international standards.</li> <li>Some, but not all, expenditures are classified by function.</li> <li>No expenditures classified by function are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Ministerial Order (Portaria) No. 42, of April 14, 1999, by the Ministry of Planning, Budget and Management (Ministério do Planejamento, Orçamento e Gestão), updates the concept of function and sub-function, and classifies these. There are 28 functions and 106 sub-functions.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>3. Does the executive's budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?</p> <ol style="list-style-type: none"> <li>All expenditures are classified by economic classification, and the categorization is compatible with international standards.</li> <li>All expenditures are classified by economic classification, but the categorization is not compatible with international standards.</li> <li>Some, but not all, expenditures are classified by economic classification.</li> <li>No expenditures classified by economic classification are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> Annex I to Inter-ministerial Order (Portaria Interministerial) No. 163, of May 4, 2001, from the Federal Budget Secretariat and Federal Treasury Secretariat (Secretaria de Orçamento Federal, SOF and Secretaria do Tesouro Nacional, STN), sets out the Classification and Economic Categories of Revenue – Expense and Capital (Classificação e Categorias Econômicas da receita - Custeio e Capital), and Annex II classifies expenditure in the same way</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?</p> <ul style="list-style-type: none"> <li>a. Program-level data are presented for all expenditures.</li> <li>b. Program-level data are presented for at least two-thirds of, but not all, expenditures.</li> <li>c. Program-level data are presented, but for less than two-thirds of expenditures.</li> <li>d. No program-level data are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The programmes are divided into projects (fixed timeframe), activities (ongoing timeframe) and special operations (funds).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>5. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for a multi-year period (at least two years beyond the budget year)?</p> <ul style="list-style-type: none"> <li>a. Yes, multi-year estimates of aggregate expenditure are presented.</li> <li>b. No, multi-year estimates of aggregate expenditure are not presented.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Article 165 of the Federal Constitution provides for preparation of a four-year plan (Plano Plurianual, PPA); estimated expenditure relates to the plan. The PPA is broken down into Programmes and Actions, which are provided for in each Budget in terms of Programmes and Projects, Activities, and Special Operations. These terms are defined in Chapter II of each year’s LDO (On the Structure and Organization of the Budgets).</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>6. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <ul style="list-style-type: none"> <li>a. Yes, multi-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).</li> <li>b. Yes, multi-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.</li> <li>c. Yes, multi-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.</li> <li>d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See answer to previous item</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>7. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the budget year?</p> <ul style="list-style-type: none"> <li>a. All sources of tax revenue are identified individually.</li> <li>b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually.</li> <li>c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually.</li> <li>d. No sources of tax revenue are identified individually.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  Ministerial Order No. 9, of April 28, 2005, deals with budget classification by type of revenue for application by the federal government. The Ministerial Order identifies revenues by source, and this differentiation must be presented in the Annual Draft Budget (Projeto de Lei Orçamentária Annual, PLOA). The sources by type of levy (Taxes, Contributions and Rates) are related to “sources of funding” in the budget. For example, revenues from federal levies (Income tax, Tax on Industrialized Goods [IPI], etc) that remain with the federal government are considered as a source relating to “Ordinary Funds – Source 100” (Recursos Ordinários - Fonte 100). The portion of income tax and IPI that is transferred to the states, municipalities and the federal district is termed “Income Tax and IPI Transferred – Source 101” (Transferência da Imposto de Renda e do IPI – Fonte 101), and so on.</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>8. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the budget year?</p> <ul style="list-style-type: none"> <li>a. All sources of non-tax revenue are identified individually.</li> <li>b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually.</li> <li>c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually.</li> <li>d. No sources of non-tax revenues are identified individually.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Ministerial Order 09, of June 27, 2001, develops the classification of revenues, enabling this kind of revenue to be identified. Tax revenues can also be told apart from other revenues by the payment source</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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9. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of revenue presented for a multi-year period (at least two years beyond the budget year)?
- a. Yes, multi-year estimates of aggregate revenue are presented.
  - b. No, multi-year estimates of aggregate revenue are not presented.
  - c. Not applicable/other (please comment).

Citation:

Comment:

The Draft Annual Budget (LOA) does not contain the multi-year estimates; they appear, but are not differentiated, in the LDO (in Annex IV, which deals with the targets for the Primary Surplus).

Note that there is a major problem with the revenue estimates for the fiscal year. The government sends the Draft Annual Budget Law to Congress with the revenues underestimated; Congress revises, and overestimates, them; and the government, with the Contingency Decree (Decreto de Contingenciamento), retrusn to a proposal close to its original draft.

At year-end, revenues are found to be higher than forecast in the Contingency Decree, but there is no longer time to perform the related measures: then either the funds are recorded as payables pending, which undermines the quality of public spending, or they go to swell the primary surplus.

**Peer Reviewer One Comment:** A more appropriate response to this question would be "a" because multi-year estimates of aggregate revenue are presented in the LDO, as mentioned, and in Brazil it should be considered as part of the Annual Budget documents. Of course there is a question of accuracy and a political game is played between Executive and Legislative. If data accuracy should be considered than maybe other questions would deserve their answers to be revised.

**Peer Reviewer Two Comment:**

**IBP Comment:** IBP editors chose answer, "b" because the key purpose of Questions 1-55 are to evaluate what information governments provide to the public in their executive budget proposal and supporting documents, which is sometimes referred to as the "annual consolidated budget presentation." IBP maintains that a country's budget documents, including the annual consolidated budget presentation, should be the authoritative source for governments to disclose to the public their financial activities. As such, governments should provide an accurate and comprehensive picture of their financial activities, including multi year estimates of revenue, in the annual consolidated budget documents. This should be in addition to any information the government may chose to present in budget documents that are issued at other times of the budget year.

b

<p>10. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover a multi-year period (for at least two years beyond the budget year)?</p> <ul style="list-style-type: none"> <li>a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).</li> <li>b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.</li> <li>c. Yes, multi-year estimates are presented, but only for some individual sources of revenue.</li> <li>d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See previous item</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
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<p>11. Does the executive's budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?</p> <p>a. Yes, the data reflect the outstanding debt both at the start of the budget year and at the end of the budget year (and thereby reflect the net borrowing requirement of the budget).</p> <p>b. Yes, the data reflect the outstanding debt at the end of the budget year.</p> <p>c. Yes, the data reflect the outstanding debt at the start of the budget year.</p> <p>d. No, data on the outstanding debt are not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  There is a chapter in the Draft Annual Budget Law which deals with servicing contractual and bond debt by Agency and Budget Unit (Órgão and Unidade Orçamentária). The budget guidelines law also contains a chapter on the subject. The status of the public debt is published monthly by the National Treasury Secretariat (Secretaria do Tesouro Nacional, STN) and by the Central Bank of Brazil.  The STN publishes a monthly bulletin containing the central government's Primary Balance, according to the concept of Funding Needs and National Treasury Net Debt.  The Central Bank publishes a monthly note to the press announcing the Primary Surplus and the Public Sector Funding Needs.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>12. Does the executive's budget or any supporting budget documentation present interest payments on the debt for the budget year?</p> <p>a. Yes, interest payments on the debt are presented.</p> <p>b. No, interest payments on the debt are not presented.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u>  In the classification by Expenditure Type Group, two of them relate to the debt: i) GND 02 – Debt interest and charges (Juros e Encargos da Dívida), and ii) GND-06 – Debt Amortization (Amortização da Dívida). There are also two Programmes that relate to Domestic Debt Service (Serviços da Dívida Interna, 0905) and External Debt Service (Serviços da Dívida Externa, 0906). The Programmes are discriminated by Projects/Activities/Special Operations</p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>13. Does the executive's budget or any supporting budget documentation present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic and external debt) for the budget year?</p> <ol style="list-style-type: none"> <li>Yes, extensive information related to the composition of government debt is presented.</li> <li>Yes, key additional information is presented, but some details are excluded.</li> <li>Yes, some additional information is presented, but it lacks important details.</li> <li>No, additional information related to the composition of government debt is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The information permits debt to be analyzed in terms of contractual and bond debt, by agency, primary balance etc. The STN bulletin provides information on interest rates, profile etc.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>14. Does the executive's budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?</p> <ol style="list-style-type: none"> <li>Yes, an extensive discussion of the macroeconomic forecast is presented, and key assumptions (such as inflation, real GDP growth, unemployment rate, and interest rates) are stated explicitly.</li> <li>Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.</li> <li>Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.</li> <li>No, information related to the macroeconomic forecast is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The problem here lies not in the information that is provided explicitly, but in its soundness. Many figures are under- or over-estimated, and in other cases the targets are not met. For example, estimated revenues (see item 8), GDP growth, or inflation targets are not met. The fragility of the economy, mainly because of the high volume of debt, makes accurate estimates difficult.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>15. Does the executive’s budget or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget (including expenditures, revenues, and debt)?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on the impact of different macroeconomic assumptions on the budget is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> Annex IV to the LDO addresses this issue.</p> <p><u>Comment:</u> The Message from the President that accompanies the Draft Law also addresses the subject. The problem is the quality of the estimates, as mentioned in the previous item.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>16. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect expenditures?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on the impact of policy proposals on expenditures is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  The President’s Message describes the impacts of the main policies, but as this is a political document, it expresses far more what the government wants to happen than the realities of execution. For example, The Programme to Combat Sexual Exploitation of Children and Teenagers has far more funds for providing care to children already affected than for prevention; however, the total funding budgeted falls far short of the real needs.</p> <p><b><u>Peer Reviewer One Comment:</u></b> It has been easy for politicians to use indicators of effort instead of result. A better use of social indicators by governments should integrate civil society agenda on budget monitoring.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
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<p>17. Does the executive’s budget or any supporting budget documentation present information for at least the budget year that shows how policy proposals in the budget, as distinct from existing policies, affect revenues?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on the impact of policy proposals on revenues is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive’s draft budget is directed mainly to expenditure. There are revenue estimates, which very often conflict with the Legislative’s estimates (see item 8). What impact on revenue is shown in the documents relates basically to inflation, variation in GDP and changes in legislation. However, as already mentioned, there are flaws in the estimates of these items.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<b>Estimates for Years Prior to the Budget Year</b>	
<p>18. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by administrative unit (that is, by ministry, department, or agency)?</p> <ul style="list-style-type: none"> <li>a. All expenditures are classified by administrative unit for BY-1.</li> <li>b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.</li> <li>c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.</li> <li>d. No expenditures classified by administrative unit are presented for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See item 01.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>19. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by functional classification?</p> <ul style="list-style-type: none"> <li>a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.</li> <li>b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.</li> <li>c. Some, but not all, expenditures are classified by function for BY-1.</li> <li>d. No expenditures classified by function are presented for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See item 02</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>20. Does the executive’s budget or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) that are classified by economic classification?</p> <ul style="list-style-type: none"> <li>a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.</li> <li>b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.</li> <li>c. Some, but not all, expenditures are classified by economic classification for BY-1.</li> <li>d. No expenditures classified by economic classification are presented for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See item 03.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>21. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?</p> <ul style="list-style-type: none"> <li>a. Program-level expenditure data are presented for all expenditures for BY-1.</li> <li>b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.</li> <li>c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.</li> <li>d. No program-level expenditure data are presented for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Chapter II of the LDO (On the Structure and Organization of the Budgets) stipulates that classification by Programmes and by Projects/Activities/Special Operations is obligatory</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>22. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the expenditure estimates of the year prior to the budget year (BY-1)?</p> <ul style="list-style-type: none"> <li>a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.</li> <li>b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.</li> <li>c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.</li> <li>d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Budget values are generally not corrected on the basis of actual expenditures in previous months. For major expenditures like Social Security, actuarial calculations and calculations of financial situation are specified in annexes to the LDO. The same occurs with compulsory expenditures, for which there is an annex stating the margin of expansion for continuous compulsory expenditures. A number of parameters are used, including expected inflation, growth in the Minimum Wage etc.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	e

<p>23. In the executive's budget or any supporting budget documentation, are estimates of the aggregate level of expenditure presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate expenditure are presented.  b. No, such prior-year estimates of aggregate expenditure are not presented.  c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  A chart is published showing the evolution of National Treasury Expenditures (Evolução da Despesa do Tesouro Nacional), by economic category and group of expenditure type (Categorias Econômicas e Grupos de Natureza de Despesa), from 2002 to 2004 and with an estimate for 2005</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>24. In the executive's budget or any supporting budget documentation, is more detail than just the aggregate level presented for expenditure estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year expenditure estimates are presented for all individual programs, and for one or more expenditure classification (such as functional, economic, or administrative).  b. Yes, such prior-year estimates are presented for one or more expenditure classification (such as functional, economic, or administrative), but only for some individual programs.  c. Yes, such prior-year estimates are presented, but only for a portion of one or more of the expenditure classifications (such as some functions, or some administrative units) and/or for only some individual programs.  d. No, such prior-year estimates are presented for aggregate expenditure only, or they are not presented at all.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  As explained in the previous item, the evolution of expenditures by economic category and expense group is published. There is a specific table on social security spending (Social insurance, social assistance and health/Previdência Social, Assistência Social e Saúde). There are Internet sites through which historical series can be built up of all government actions by all classification types</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>25. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?</p> <ul style="list-style-type: none"> <li>a. Two years prior to the budget year (BY-2).</li> <li>b. Three years prior to the budget year (BY-3).</li> <li>c. Before BY-3.</li> <li>d. No actual data for all expenditures are presented in the budget or supporting budget documentation.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  BY-2 (AE-2) and a estimate for the current year-end are used. This kind of calculation relates more to the compulsory expenditures, but in Brazil those account for 93% or total expenditures. Also, in estimating interest rates, charges and amortization, a margin is always left to allow for contingencies, and therefore the value is normally higher than what is actually spent.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>26. Are the expenditure estimates for the years prior to the budget year adjusted, as needed, to be comparable with the budget-year estimates in terms of classification and presentation?</p> <ul style="list-style-type: none"> <li>a. Yes, prior-year data are always adjusted to be comparable to the budget year data.</li> <li>b. Yes, in most cases, prior-year data are adjusted to be comparable.</li> <li>c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist.</li> <li>d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> As a result of monetary stability over the past 10 years, the Executive has not corrected expenditures from prior years in documents submitted to the National Congress; this is a mistake, because inflation, although low, has been constant: the “broad consumer price index” (Indice de Preços ao Consumidor Ampliado, IPCA; for urban families earning 1-40 minimum wages) for 2006 was 3.14%. In its internal studies, meanwhile, the Federal Budget Secretariat (Secretaria de Orçamento Federal, SOF) updates the values using an index base don 55% of the IPCA and 45% of the “overall price index for domestic supply” (IGP-DI).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>27. Does the executive’s budget or any supporting budget documentation identify the different sources of tax revenue (such as income tax or VAT) for the year preceding the budget year (BY-1)?</p> <ul style="list-style-type: none"> <li>a. All tax revenues are identified individually for BY-1.</li> <li>b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually.</li> <li>c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually.</li> <li>d. No tax revenues are identified individually for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is a chart showing the evolution of National Treasury revenues by economic category and source.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>28. Does the executive’s budget or any supporting budget documentation identify the different sources of non-tax revenue (such as grants, property income, and sales of goods and services) for the year preceding the budget year (BY-1)?</p> <ul style="list-style-type: none"> <li>a. All non-tax revenues are identified individually for BY-1.</li> <li>b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.</li> <li>c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.</li> <li>d. No non-tax revenues are identified individually for BY-1.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is a classification by source that permits such identification. For example, donations by international organizations are No. 195, donations to the Zero Hunger programme are No. 194. Capital revenues are also identified.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>29. In the executive’s budget or any supporting budget documentation, how many months of actual data are reflected in the revenues estimates of the year prior to the budget year (BY-1)?</p> <ul style="list-style-type: none"> <li>a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.</li> <li>b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.</li> <li>c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.</li> <li>d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The internal revenue authority (Secretaria da Receita Federal, SRF) publishes a monthly statement of revenues collected. The limits for the agencies are usually announced in June/July and are based on April/May. A specific sector in the SOF is responsible for estimating revenues. These estimates are based mainly on the variation of GDP, inflation, and any changes that may occur in the legislation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>30. In the executive’s budget or any supporting budget documentation, are estimates of the aggregate level of revenues presented for years that precede the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year estimates of aggregate revenue are presented.  b. No, such prior-year estimates of aggregate revenue are not presented.  c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  There is a table showing evolution of National Treasury revenues by economic category and source.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>31. In the executive’s budget or any supporting budget documentation, is more detail than just the aggregate level presented for revenue estimates that cover years preceding the budget year by more than one year (that is, BY-2 and prior years)?</p> <p>a. Yes, such prior-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).  b. Yes, such prior-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.  c. Yes, such prior-year estimates are presented, but only for some individual sources of revenue.  d. No, such prior-year estimates are presented for aggregate revenue only, or they are not presented at all.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  There is a table showing evolution of National Treasury revenues by economic category and source.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>32. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?</p> <ul style="list-style-type: none"> <li>a. Two years prior to the budget year (BY-2).</li> <li>b. Three years prior to the budget year (BY-3).</li> <li>c. Before BY-3.</li> <li>d. No actual data for all revenues are presented in the budget or supporting budget documentation.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See items 28 and 29.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>33. Does the executive’s budget or any supporting budget documentation present information related to the government debt for the year preceding the budget year?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.</li> <li>b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.</li> <li>c. Yes, but only information on the level of debt is presented.</li> <li>d. No, information related to the government debt for BY-1 is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is a table showing contractual and bond debt service by government agency.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>34. In the executive’s budget or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?</p> <ul style="list-style-type: none"> <li>a. Two years prior to the budget year (BY-2).</li> <li>b. Three years prior to the budget year (BY-3).</li> <li>c. Before BY-3.</li> <li>d. No actual data for government debt are presented in the budget or supporting budget documentation.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See item 10.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<b>Comprehensiveness</b>	
<p>35. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on extra-budgetary funds is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> In there is a Length of Service Retirement Fund (Fundo de Garantia por Tempo de Serviço, FGTS), management of which is completely divorced from the budget submitted to Congress. There are also the pension funds of state enterprises, which have assets worth billions of reais; the largest, for employees of the Banco do Brasil, has assets worth R\$ 70.3 billion.</p> <p><b><u>Peer Reviewer One Comment:</u></b> The response is correct but the comment could address other extra-budgetary funds like those managed by Central Bank of Brazil (management of funds and assets of banks and other credit institutions under intervention, and others).</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>36. Does the executive's budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on intergovernmental transfers is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The information is comprehensive, but there is no narrative text. There are two programmes connected with transfers, which are discriminated by action. For example: the funds for transfer to states (Fundo de Participação dos Estados), and municipalities' (Fundo de Participação dos Municípios), etc.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>37. Does the executive's budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on transfers to public corporations is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> There are quantitative data on expenditures by public enterprises, like the agricultural research enterprise (Empresa Brasileira de Pesquisa Agropecuária, Embrapa). In certain cases, the information is not clear; for example, as regards government payments to the federal data processing service (Serviço Federal de Processamento de Dados, Serpro).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>38. Does the executive's budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.</li> <li>Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on quasi-fiscal activities is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u>  The issue here is the budget of the state enterprises. The annual draft budget law (Projeto de Lei Orçamentária Anual, PLOA) declares the investments they make, but other expenditures are not submitted. For example: the national economic and social development bank (Banco Nacional de Desenvolvimento Econômico e Social, BNDES) finances investments of the order of R\$ 40 billion per year; the PLOA declares only those investments the BNDES makes internally; that is, purchasing or constructing buildings, computer equipment etc., which were set at R\$ 108 million for 2005. The same happens with the other government funding agencies (Caixa Econômica Federal, Banco do Brasil, Banco do Nordeste and Banco da Amazônia).  The budget declares only the transfer to the BNDES from the workers' safeguard fund (Fundo de Amparo ao Trabalhador, FAT) of 40% of its collected revenue, totaling R\$ 7.2 billion in 2005.  Another type of expenditure with these characteristics is government publicity performed by state enterprises that produce institutional publicity. The national oil enterprise, Petrobrás, and Banco do Brasil carry out a number of these operations which involve hundreds of millions of reais.</p> <p><b><u>Peer Reviewer One Comment:</u></b> The answer is correct, but the comment should also address the quasi-fiscal activities under Central Bank of Brazil responsibility, like ruling on loans, payment systems, exchange rate operations and debt management.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>C</p>
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39. Does the executive's budget or any supporting budget documentation present information on financial assets held by the government?

- a. Yes, extensive information on financial assets is presented, including a listing of the assets, a discussion of their purpose, and an estimate of their market value.
- b. Yes, information is presented, highlighting key information, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on financial assets is not presented.
- e. Not applicable/other (please comment).

Citation:

Comment:

This is a complex matter: in order to calculate the net public sector debt, a comparison is made between assets and liabilities. The figures from Brazil's Central Bank indicate gross debt of R\$1,383.1 billion and net debt of R\$ 957.6 billion, and thus should reflect assets of R\$ 425.5 billion. It must be emphasized that there are doubts as to the return on these assets, particularly as regards loans connected with the regional funds for the Northeast, Amazon and Mid-West (Fundo do Nordeste and Fundo da Amazônia and Fundo do Centro Oeste), which are regularly the source of complaints of embezzlement. The balance of applications by these funds at June 30, 2004 totaled R\$ 23.4 billion.

**Peer Reviewer One Comment:** A more appropriate response to this question would be "b." One can question how realizable are some assets, but the information is there. A key share of the budget addresses the debt service based on this information. Besides, the Central Bank of Brazil releases monthly reports on debt and assets figures owned by all levels of government.

**Peer Reviewer Two Comment:**

**IBP Comment:** IBP editors chose answer, "d" because the key purpose of the Questions 1-55 are to evaluate what information governments provide to the public in their executive budget proposal and supporting documents, which is sometimes referred to as the "annual consolidated budget presentation." IBP maintains that a country's budget documents, including the annual consolidated budget presentation, are the authoritative source for governments to disclose to the public their financial activities. As such, government should provide an accurate and comprehensive picture of the financial assets in the budget documents, in addition to any information it may chose to present in Central Bank documents.

d

<p>40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, and (where possible) an estimate of their market value.</li> <li>b. Yes, information is presented, highlighting key information, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on non-financial assets is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  Non-financial assets are not declared, but the volume is large. The largest state enterprise is Petrobrás, the national oil enterprise, whose gross operating revenue in 2004 was R\$ 150 billion, and its net profits R\$ 17.8 billion. That information is public, and available on the enterprise's website, but does not appear in budget documents</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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<p>41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on expenditure arrears is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  As provided for in Law No. 4.320/64, arrears are recorded as payables pending and can be monitored by the integrated financial administration system (Sistema Integrado de Administração Financeira, SIAFI). All members of Congress have access to the system. The LDO sets out the conditions for payment of arrears, including the existence of a monthly schedule.  The posting of these payables pending leads to a series of problems for budget transparency and execution. In the Ministry of Transport, for instance, execution of the current year generally begins at year-end, and ends up becoming payables pending for the following year. It is a never-ending cycle.  Governments have also used this instrument to post funds of interest to members of Congress for political negotiation (members of congress submit budget amendments in their own interest).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on contingent liabilities is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u>  There is an annex to the LDO that deals with what are called contingent liabilities (passivos contingentes); these are potential debts that may derive from a range of factors and which, because of their peculiarities, have not yet been recognized as debts by the federal government.  These liabilities are often difficult to measure and imprecise, and therefore it should be noted that the listing of liabilities does not mean, or infer the likelihood, that they will actually occur, especially those that involve judicial disputes. The annex lists expenditures with these characteristics</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting key future liabilities, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on future liabilities is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u>  There are annexes to the LDO, like the one mentioned in item 41, that deal with future liabilities. Annex IV.7 deals specifically with evaluating the financial and actuarial situation of the specific social insurance regime for military government servants (Regime Próprio de Previdência Social dos Servidores Públicos Militares da União).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?</p> <ul style="list-style-type: none"> <li>a. All sources of donor assistance are identified individually.</li> <li>b. At least two-thirds of, but not all, sources of donor assistance, are identified individually.</li> <li>c. Less than two-thirds of sources of donor assistance are identified individually.</li> <li>d. No sources of donor assistance are identified individually.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The only separations of aid the givers is if the donation is internal or external.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
<p>45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on tax expenditures is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> One annex to the LDO deals with discrimination of tax benefits by region and by revenue (Discriminação dos Benefícios Tributários, Regionalizados e por Receita), but there is no narrative discussion of tax incentives in the documents.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>

<p>46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?</p> <ul style="list-style-type: none"> <li>a. All earmarked revenues are identified individually.</li> <li>b. At least two-thirds of, but not all, earmarked revenues are identified individually.</li> <li>c. Less than two-thirds of earmarked revenues are identified individually.</li> <li>d. No earmarked revenues are identified individually.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  In the Fiscal Budget and in the Social Security Budget, there are a series of revenues earmarked for specific Funds. The Constitution earmarks revenues from contributions, but not from taxes. The situation is not quite that simple, though: in the course of the last ten years, different governments have opted to raise collection of contributions to the detriment of taxes, because it is not compulsory to share the former with the states and municipalities, which is the case with taxes. In addition, contributions can be introduced 3 months after they are approved, while taxes cannot be levied until the following year (Y+1). So that they would no longer be earmarked, a Constitutional amendment reducing the proportion of federal government revenues to be earmarked (Emenda Constitucional de Desvinculação das Receitas da União - Emenda No. 27/2000), which freed up 20% of the revenues. Excluded from this mechanism were the funds for transfer to states and municipalities (Fundos de Participação dos Estados e Municípios), the constitutional funds for the North, Northeast and Mid-West regions (Fundos Constitucionais para o Norte, Nordeste e Centro-oeste), and the education tax quota (Cota-Parte do Salário Educação).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>47. What percentage of expenditure in the budget year is dedicated to spending on secret items relating to, for instance, national security and military intelligence?</p> <ol style="list-style-type: none"> <li>One percent or less of expenditure is dedicated to secret items.</li> <li>Three percent or less, but more than one percent, of expenditure is dedicated to secret items.</li> <li>Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.</li> <li>More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The budget of the national intelligence agency (Agência de Inteligência Nacional, ABIN) includes around R\$ 142.7 million that can be considered secret, and is a lot less than 1% of the budget. There may be other expenditures, but nothing that amounts to 1% of the budget, which is about R\$ 6.7 billion.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
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<b>The Budget Narrative &amp; Performance Monitoring</b>	
<p>48. Does the executive's budget or any supporting budget documentation explain how the proposed budget is linked to government's stated policy goals, by administrative unit (or functional category), for the budget year?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the link between the budget and the government's stated policy goals, by administrative unit (or functional category) is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on the link between the budget and the government's stated policy goals is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The draft budget law (Projeto de Lei Orçamentária) is accompanied by a Message from the President which describes in general terms how funds are to be applied by area; it is a broad document, but not as comprehensive as in item a.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>49. Does the executive’s budget or any supporting budget documentation explain how the proposed budget is linked to government’s stated policy goals for a multi-year period (for at least two years beyond the budget year)?</p> <ol style="list-style-type: none"> <li>Yes, extensive information on the link between the budget and the government’s stated policy goals over a multi-year period is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, information is presented, highlighting the major policy goals, but some details are excluded.</li> <li>Yes, some information is presented, but it lacks important details.</li> <li>No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The frame of reference for the Message from the President is the government’s multi-year plan (Plano Plurianual, PPA), covering 4 years. The message describes the proposals for the government’s major areas of activity for the following year and how they relate to the Plan. The PPA is formulated in terms of Programmes and Actions, which are quantified in the budget in Programmes and Projects/Activities/Special Operations</p> <p><b><u>Peer Reviewer One Comment:</u></b> “b”</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “a” based on the researcher’s observation.</p>	a
<p>50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?</p> <ol style="list-style-type: none"> <li>Non-financial data are presented for all programs.</li> <li>Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.</li> <li>Non-financial data are presented for programs representing less than two-thirds of expenditure.</li> <li>No non-financial data are presented.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The data are presented by Programme and quantified by Projects/Activities/Special Operations. For example: Structuring of Hematology and Hemotherapy Services in Bahia State – Service structured (unit) 31 units, in the amount of R\$ 2.1 million. Four volumes are distributed detailing Actions, the largest of them containing 1,406 pages.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> Agree with the answer, but it is important to consider that very often the figures / amounts presented are nothing more than rough estimates, not really reliable.</p>	a

<p>51. Are the non-financial data presented useful for assessing how an expenditure program is performing?</p> <ul style="list-style-type: none"> <li>a. The non-financial data are very useful for assessing program performance.</li> <li>b. The non-financial data are mostly useful for assessing program performance.</li> <li>c. The non-financial data are somewhat useful for assessing program performance.</li> <li>d. No non-financial data are provided or they are not useful for assessing program performance.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The data are useful for evaluation; however, as almost all the actions are quantified, many of them have bureaucratic or ill-conceived goals. For example: the goal of “Updated Mapping of Child Labour Focii” is given as “Mapping Published”! The goal of work of this kind should be not just publication, but circulation and, most importantly, the reduction of child labour</p> <p><b><u>Researcher's Response to this Question was “b.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c,” considering the poor quality of indicators used, as mentioned. It is still difficult to government to work on results and not just show efforts, as previously mentioned.</p> <p><b><u>Peer Reviewer Two Comment:</u></b> We believe that many data are “somewhat useful” because they are not regularly updated. [Also suggests “c”]</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” consistent with the peer reviewers’ observations.</p>	<p>C</p>
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<p>52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?</p> <ul style="list-style-type: none"> <li>a. Performance indicators are presented for all programs.</li> <li>b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures.</li> <li>c. Performance indicators are presented for programs representing less than two-thirds of expenditures.</li> <li>d. No performance indicators are presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Indicators have been constructed for a large part of the programmes. For example: the Programme to Prevent and Combat Violence against, and Sexual Exploitation of, Children and Teenagers uses the indicator “Rate of Care for Children and Teenagers who have Suffered Sexual Abuse and/or Exploitation.” However, there are other programmes for which indicators are still being constructed. One example of an indicator under construction is the Amazon Protection Programme (Programa de Proteção da Amazônia, SIPAM). Others have bureaucratic indicators, those relating to public administration.</p> <p><b><u>Researcher's Response to this Question was “b.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c,” based on the same argument used on the previous question.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” consistent with the peer reviewer’s observations.</p>	<p>c</p>
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<p>53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?</p> <ul style="list-style-type: none"> <li>a. All performance indicators are well designed.</li> <li>b. Most performance indicators are well designed.</li> <li>c. Some performance indicators are well designed, but most are not.</li> <li>d. No programs have performance indicators, or they are not well designed.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The main problem here is the obligation to construct indicators for all programmes. However, there are problems of inappropriate design and of indicators still under construction</p> <p><b><u>Researcher's Response to this Question was “b.”</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “c” because, as mentioned in comments, despite the fact that we have indicators for some programs, for some others they are under construction, or are just bureaucratic or, as I already observed, they are not well designed for measuring results.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “c” consistent with the peer reviewer’s observations.</p>	<p>c</p>
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54. Are performance indicators used in conjunction with performance targets presented in the executive's budget or any supporting budget documentation?
- a. All performance indicators are used in conjunction with performance targets.
  - b. Most performance indicators are used in conjunction with performance targets.
  - c. Some performance indicators are used in conjunction with performance targets, but most are not.
  - d. No performance indicators are used in conjunction with performance targets.
  - e. Not applicable/other (please comment).

Citation:

Comment:

The major issue is that the goal set very often falls short of the real needs of society. For example: the Bolsa-Escola programme (school attendance benefit), which was run by the Ministry of Education, used to pay a benefit of R\$15 per child in school to a limit of 3 children per family. The minimum payment per family should be R\$75. There are programmes, such as the witness protection scheme (Assistência a Vítimas e a Testemunhas Ameaçadas) which is allocated R\$12.2 million for 2005, while the need in Brazil is for several times that amount.

c

**Researcher's Response to this Question was "b."**

**Peer Reviewer One Comment:** A more appropriate response to this question would be "c," if not for the reasons mentioned in comment, by not including these limitations in the indicator itself. Specially in the big cities, taking the example mentioned in comment, many families prefer to put their children to work or let them in streets as beggars where they can collect far times more than what they get from government.

**Peer Reviewer Two Comment:**

**IBP Comment:** IBP editors chose answer, "c" consistent with the peer reviewer's observations.

<p>55. Does the executive’s budget or any supporting budget documentation present information on policies (both proposals and existing commitments) in at least the budget year that are intended to benefit directly the country’s most impoverished populations?</p> <p>a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.</p> <p>b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.</p> <p>c. Yes, some information is presented, but it lacks important details.</p> <p>d. No, information on policies intended to alleviate poverty is not presented.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The documentation presents descriptive information (Message from the President) and quantitative data. The major problem is described in item 53; that is, the relation between real needs and the funds proposed. It is estimated that 54 million Brazilians live on less than US\$1.00 a day; that is, in poverty. In order to eradicate that poverty, it would be necessary to spend close to R\$40 billion per year, while the funds applied in these areas are far less than that.</p> <p><b><u>Peer Reviewer One Comment:</u></b> The population living on less than US\$1.00 a day has been overestimated. Data from IPEA <a href="http://www.ipea.gov.br/sites/000/2/download/TerceiroRelatorioNacionalODM.pdf">http://www.ipea.gov.br/sites/000/2/download/TerceiroRelatorioNacionalODM.pdf</a> shows that this number for 2005 was equivalent to only 4.2% of Brazilian population (around 8 million people). Of course the “artificial” exchange rate promoted by high interest rates paid on public debt by the Central Bank of Brazil contributes to this result. That’s why other studies have used the reference of ¼ of the national minimum wage per person as a more appropriated indicator (22.8% would be under poverty line according to this rule for 2005).</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<b>Additional Key Information for Budget Analysis &amp; Monitoring</b>	
<p><i>Please note that the questions in this section ask about information that is generally available to the public. The information need not be included in the executive’s budget proposal or supporting documents, but may be found in other documents issued by the executive.</i></p>	

<p>56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources, including commercial projects involving the private sector?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on tax rates, fees, royalties and other revenues sources is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  The legislation on revenues is complex. In principle, taxes, rates and economic contributions (Impostos, Taxas, Contribuições Econômicas) should cover fiscal budget spending, while social contributions (Contribuições Sociais) should cover the social security (health, social insurance and social assistance) spending, but there is a tangle of laws that make it enormously difficult to understand the revenue that is collected. As there are rules that can be set by the internal revenue authorities (Secretaria da Receita Federal), the description of tax rates is not all-inclusive and comprehensive. It has paid information how much to royalties the States and Cities for example hidricos exploration of oil and resources. The private sector as in the case of concessions of telephony has forecast of projects involving but discription of wich company does not exist repassed the resoucers to the government, does not exist detailing of the subject in the budget.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
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<p>57. Does the executive make available to the public an analysis of the distribution of the tax burden?</p> <ol style="list-style-type: none"> <li>a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.</li> <li>c. Yes, some analysis is presented, but it lacks important details.</li> <li>d. No analysis on the distribution of the tax burden is presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The internal revenue authority (Secretária da Receita Federal) publishes a monthly report on the revenue it collects, including analyses of any major variations.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?</p> <ol style="list-style-type: none"> <li>a. Yes, extensive information on conditions associated with IFI assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.</li> <li>b. Yes, information is presented, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on conditions associated with IFI assistance is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Agreements with multilateral financial institutions are made public, but are treated in macroeconomic terms. One example is the primary surplus (revenues less expenditures, excluding public debt interest payments), which is planned as a percentage of GDP; at the moment, 4.25%, which is high, around R\$76.0 billion. The World Bank and Inter-American Development Bank draft regular Country Assistance Strategy (CAS) reports, which have been made public since the start of this decade, because civil society is making their content public. One interesting case was the 1998 agreement with the IMF: the government undertook to maintain a social protection network, but the network presented in order to get the loan corresponded to policies already carried out and which bound it legally to make payments, such as benefits for the elderly and disabled, contemplated in the social assistance law (Lei Orgânica de Assistência Social).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on conditions associated with donor country assistance is presented, including a narrative discussion and any quantitative targets related to both macro-economic conditionality and project-specific conditionality.</li> <li>b. Yes, information is presented, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information on conditions associated with donor country assistance is not presented.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The information is dispersed through the agencies that receive the donations. It is possible to consolidate, but that would have to be done by technical specialists. Tracing them by bureaucratic means, through the classification by source, would not permit any clear interpretation as to the reason for the donation.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>60. Does the executive make available to the public a summary that describes the budget and its proposals?</p> <ul style="list-style-type: none"> <li>a. Yes, it provides a summary that is very informative.</li> <li>b. Yes, it provides a summary that is somewhat informative.</li> <li>c. Yes, but the summary is not very informative.</li> <li>d. No, it does not provide a summary.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u> The government does make a summary available, electronically, from which it is possible to see the main budget spreadsheets, which can be accessed at: <a href="http://www.planejamento.gov.br/arquivos_down/sof/apres_ministro_ORC05.pps">http://www.planejamento.gov.br/arquivos_down/sof/apres_ministro_ORC05.pps</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>61. Does the executive publish a “citizens budget” or some non-technical presentation intended for a wide audience that describes the budget and its proposals?</p> <p>a. Yes, it publishes a citizens budget that is very informative.  b. Yes, it publishes a citizens budget that is somewhat informative.  c. Yes, but the citizens budget is not very informative.  d. No, it does not publish a citizens budget.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  No budget is published in language accessible to the general public.</p> <p><b><u>Peer Reviewer One Comment:</u></b> Even some efforts to make public budgets more accessible for common citizens (not only at national level, but States and Cities) have been discontinued as is the case for example of basic information made available on well designed tables by the National Treasury Department (Secretaria do Tesouro Nacional) at <a href="http://www.tesouro.fazenda.gov.br/">http://www.tesouro.fazenda.gov.br/</a> . The information on fiscal responsibility of municipalities stopped in 2005 and since then it has not been updated. To get the information citizens now have to download excel files with raw data for further grouping figures.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>62. Does the executive make available to the public non-technical definitions of terms used in the budget and other budget-related documents (for instance, in a glossary)?</p> <p>a. Yes, thorough definitions of budget terms are provided.  b. Yes, definitions are provided, but some details are excluded.  c. Yes, some definitions are provided, but it lacks important details.  d. No, definitions are not provided.  e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  See answer to item 60. There is a glossary on the national treasury secretariat (STN) website, but it is not easy to understand.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>63. Do citizens have the right <i>in law</i> to access government information, including budget information?</p> <ul style="list-style-type: none"> <li>a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.</li> <li>b. Yes, the right has been codified into law, but it is sometimes not possible for citizens in practice to obtain government information, including budget information.</li> <li>c. Yes, the right has been codified into law, but it is frequently or always impossible in practice to obtain access to government information, including budget information.</li> <li>d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is no legal decision on access to budget information. Congress makes information bases available that enable analyses to be made</p> <p><b><u>Peer Reviewer One Comment:</u></b> A more appropriate response to this question would be “b.” The National Constitution assures citizens the right to information, but additional regulation is needed to make it effective. The Fiscal Responsibility Law obliges government to publish the budget reports, but many tricks are played to avoid delivering readable information to citizens, like disaggregating (or highly aggregated, according to the political interest) codified or no digital data (just printed copies).</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” to maintain consistency of assumptions across countries.</p>	<p>d</p>
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<p>64. Are citizens able in practice to obtain financial information on expenditures for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it (for example, from a ministry or agency)?</p> <p>a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.</p> <p>b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</p> <p>c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.</p> <p>d. In practice, no highly disaggregated expenditure information is available.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u>  Information is available, but as disaggregated by the Legislative, by the access that it is given under law (under the Constitution, LDO, Fiscal Responsibility Law etc). Public reports are published by the Executive. There is however an integrated financial administration system (Sistema Integrado de Administração Financeira) which reflects the federal government’s centralized treasury system, access to which is restricted to members of the three powers of the Union. The Executive is in a position to offer access to the system via the Internet, which would make it possible to analyze public policies, but this does not happen. Information searches are usually carried out agency by agency.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>
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<p>65. Are citizens able in practice to obtain non-financial information related to expenditures (for example, number of beneficiaries, number of persons employed by the program, etc.) for individual programs in a format that is more highly disaggregated than that which appears in the executive’s budget proposal if they request it from a ministry or agency?</p> <ul style="list-style-type: none"> <li>a. In practice, highly disaggregated non-financial information is available to the public for all programs except those considered related to national security or military intelligence.</li> <li>b. In practice, highly disaggregated non-financial information is available to the public for programs representing at least two-thirds of, but not all, expenditures.</li> <li>c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.</li> <li>d. In practice, no highly disaggregated non-financial expenditure information is available.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> It is complicated to relate non-financial information to a percentage of spending in Brazil. In 2004, approximately 27% of spending related to public debt, another 22% to social insurance benefits (mainly retirement benefits and pensions), and 17% to transfers to states and municipalities. Now, there is a large amount of non-financial information dispersed through a number of agencies. There is a “transparency gateway” (Portal da Transparência: <a href="http://www.transparencia.gov.br">http://www.transparencia.gov.br</a>), where one can discover, for example, most of the funds transferred to states and municipalities, including listings of the beneficiaries</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>b</p>
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## **Section Three: The Budget Process**

<b>The Budget Process</b>	
<b>Executive's Formulation of the Budget</b>	
<p>66. How far in advance of the release of the budget is the day of its release known?</p> <ol style="list-style-type: none"> <li>a. The release date is set in permanent law.</li> <li>b. The executive announces the release date at least two months in advance.</li> <li>c. The executive announces the release date less than two months but more than two weeks in advance.</li> <li>d. The executive announces the release date two weeks or less before the release, or makes no announcement.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The time lapses are laid down in the Constitution. The deadline for submission of the annual draft budget (Projeto de Lei Orçamentária Anual) to Congress is 31 August of the prior year. That is the period when the draft is made public.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>67. Does the executive release to the public its timetable for preparation of the executive's budget proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the ministry of finance or what ever central government agency is in charge of coordinating the budget's formulation)?</p> <ol style="list-style-type: none"> <li>a. Yes, a detailed timetable is released to the public.</li> <li>b. Yes, a timetable is released, but some details are excluded.</li> <li>c. Yes, a timetable is released, but it lacks important details.</li> <li>d. No, a timetable is not issued to the public.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The process is all internal; detailed information is released to technical staff in the various agencies, but there is no publicity on the budget preparation process.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>68. Does the executive adhere to its timetable for the preparation and release of the budget?</p> <ol style="list-style-type: none"> <li>a. The executive adheres to the dates in its timetable.</li> <li>b. The executive adheres to most of the key dates in its timetable.</li> <li>c. The executive has difficulty adhering to most of the dates in its timetable.</li> <li>d. The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Some dates are not met in the preparation process, but this does not compromise other timeframes, such as those laid down in the Constitution. Sometimes new decisions that arise in the LDO in Congress make adjustments necessary, but nothing that compromises submission of the draft budget within the timeframe stipulated.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>69. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> <li>a. Yes, the executive holds extensive consultations with a wide range of legislators.</li> <li>b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded.</li> <li>c. Yes, the executive holds very limited consultations, involving only a few members of the legislature.</li> <li>d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> There is a specific chapter in the LDO on priorities and targets. See the following article: “Art. 4: The Federal Public Administration’s priorities and targets for the fiscal year 2006, after meeting expenditures that are Union’s constitutional or legal obligations, plus the operating requirements of agencies and organizations that form part of the fiscal and social security budgets, are those set out in Annex I to this law, which will take precedence in allocation of funds under the 2006 budget and its execution, while not constituting a limit on the scheduling of expenditures.” In the drafting of Annex I, Congress has a great deal of influence on what proposals are included and altered. One example of a priority/target: Providing care to 11.2 million families in a situation of poverty, with per capita family income of less than R\$100.00, by income transfer.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>70. Does the executive hold consultations with the public as part of its process of determining budget priorities?</p> <ol style="list-style-type: none"> <li>a. Yes, the executive holds extensive consultations with a wide range of constituencies.</li> <li>b. Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.</li> <li>c. Yes, the executive holds very limited consultations, involving only a few constituencies.</li> <li>d. No, the executive does not typically consult with the public as part of the budget preparation process.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Part the Executive uses public consultations as the priority traced for the national health conference (Conferência Nacional de Saúde), or proposals of National Advice, but you swin in the molds of a participatory budget</p> <p><b><u>Peer Reviewer One Comment:</u></b> There is nothing similar to a participatory budgeting at national level in Brazil. The national conferences just offer recommendations without any mandatory influence on the national budget and there aren't co-management spheres of any kind to monitor implementation as well for accountability, not to mention the lack of full budget disclosure.</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>71. When does the executive release a pre-budget statement to the public?</p> <ol style="list-style-type: none"> <li>a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year.</li> <li>b. The executive releases a pre-budget statement at least two months (but less than four months) in advance of the start of the budget year.</li> <li>c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.</li> <li>d. The executive does not release a pre-budget statement.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The LDO is discussed during the first semester. It is made public on 15 April, and is before Congress during the rest of the semester. Congress cannot adjourn without voting it (in Brazil, Congress adjourns in July).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>72. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Na overall rationale (Exposição de Motivos) is published by the Minister of Planning, Budget and Management, dealing with the macroeconomic context. In addition, the fiscal target annexes (8 in all) address the subject.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>73. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> See item 70.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<b>Legislative Approval of the Budget</b>	
<p>74. How far in advance of the start of the budget year does the legislature receive the budget?</p> <ol style="list-style-type: none"> <li>a. The legislature receives the budget at least three months before the start of the budget year.</li> <li>b. The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year.</li> <li>c. The legislature receives the budget less than six weeks before the start of the budget year.</li> <li>d. The legislature does not receive the budget before the start of the budget year.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The Legislative receives the draft budget 4 months in advance.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>75. Does a legislative committee (or committees) hold public hearings on the macroeconomic and fiscal framework presented in the budget in which testimony from the executive branch and the public is heard?</p> <ol style="list-style-type: none"> <li>a. Yes, public hearings are held on the macroeconomic and fiscal framework in which testimony is heard from the executive branch and a wide range of constituencies.</li> <li>b. Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.</li> <li>c. Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.</li> <li>d. No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The joint budget committee (Comissão Mista de Orçamento), comprising members of the upper and lower houses, holds hearings with members of the Executive as described in item c. However, congressional standing committees have the power to call hearings with civil society organizations, and to call ministers of state to provide clarification. Thus, while the budget is before Congress, they can hold hearings where clarification can be requested</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>76. Do legislative committees hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the executive branch is heard?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.</li> <li>b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.</li> <li>c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.</li> <li>d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The Mixing Commission of Budget of the National Congress convokes audiences, mainly with the representatives of the Planning and Treasury department aiming at to argue, among others subjects the estimate of prescriptions</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>C</p>
<p>77. Does a legislative committee (or committees) hold public hearings on the individual budgets of central government administrative units (that is, ministries, departments, and agencies) in which testimony from the public is heard?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.</li> <li>b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.</li> <li>c. Yes, a limited number of hearings are held in which testimony from the public is heard.</li> <li>d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The permanent commissions of the Federal Senate and House of representatives convoke sectors of the civil society to argue the budget</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>C</p>

<p>78. Do the legislative committees that hold public hearings release reports to the public on these hearings?</p> <ul style="list-style-type: none"> <li>a. Yes, the committees release very informative reports, which include all written testimony presented at the hearings.</li> <li>b. Yes, the committees release reports, but some details are excluded.</li> <li>c. Yes, the committees release reports, but they are not very informative.</li> <li>d. No, the committees do not release reports or do not hold public hearings.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> It has taquigráfico register of the sections that can in such a way be gotten in the Senate with in the Chamber, and reports with the main debates can be had access by the Internet</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
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<p>79. Is the legislature (or the appropriate legislative committee or members of the legislature) given full information for the budget year on the spending of all secret items relating to, for instance, national security and military intelligence?</p> <p>a. Yes, the appropriate legislative committee or members of the legislature is provided extensive information on all spending on secret items, which includes detailed, line item descriptions of all expenditures.</p> <p>b. No, the legislature is provided information on spending on secret items, but some details are excluded, or some categories are presented in an aggregated manner, or the legislature is provided no information on secret items.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The Constitution empowers the Legislative to request comprehensive information on almost all items</p> <p><b><u>Researcher's Response to this Question was "a."</u></b></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b> A more appropriate response to this question would be "Secret information needs to be negotiated. And, it is not so easy." An example is the present debate about the use of corporative credit cards by ministries and expenses related to the President Office. In this case parliamentarians are not granted full access to the details the so call "secret budgetary items" allegedly due to security reasons.</p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, "b," consistent with the peer reviewer's observation and given the focus of the question on what occurs in practice.</p>	<p>b</p>
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<p>80. Does the legislature have authority <i>in law</i> to amend the budget presented by the executive?</p> <p>a. Yes, the legislature has unlimited authority <i>in law</i> to amend the budget.</p> <p>b. Yes, the legislature has authority <i>in law</i> to amend the budget, with some limitations.</p> <p>c. Yes, the legislature has authority <i>in law</i> to amend the budget, but its authority is very limited.</p> <p>d. No, the legislature does not have any authority <i>in law</i> to amend the budget.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> Using the values for the 2005 Budget Law, for instance, 93.2% of the Executive's planned expenditures are tied in some way that makes them compulsory. Therefore, the real value of expenditures that are not tied in this way in the budget is currently R\$38.7 billion; that is, 6.76% of the funds available to the Federal Executive. There is also a Congressional resolution limiting the value of the budget amendments that each Member of Congress may draft, which was R\$3.0 million for the 2005 budget.</p> <p><b><u>Peer Reviewer One Comment:</u></b> It should also be mentioned that no matter individual amendments are possible, they can be cut by the Executive by presidential decree after the budget approval in Congress. So far the individual amendments became an instrument of bargaining used by the Executive (amendments that have been cut can be reinserted into budget execution according to political deals involving consent to some projects the Executive needs to get approval in Congress).</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p>81. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?</p> <p>a. The approved budget includes program-level detail.</p> <p>b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).</p> <p>c. The approved budget includes only departmental totals.</p> <p>d. The approved budget includes less information than departmental totals.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The budget is detailed by Agency/ Budget Unit/ Function/ Sub-function/ Programme/ Action etc.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<b>Executive's Implementation of the Budget</b>	
<p>82. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> <li>In-year reports on actual expenditure are released at least every month.</li> <li>In-year reports on actual expenditure are released at least every quarter.</li> <li>In-year reports on actual expenditure are released at least semi-annually.</li> <li>In-year reports on actual expenditure are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> Several reports are made public. Every two months, the National Treasury Secretariat and the Federal Budget Secretariat submit a budget execution report to the joint Congressional budget committee. A Congressional data base, updated monthly and sometimes fortnightly, permits the public to observe budget execution in quite disaggregated terms. In the case of the legislative data, the great difficulty is the necessary technical knowledge on budget classification</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>83. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?</p> <ol style="list-style-type: none"> <li>Yes, in-year reports cover all expenditures.</li> <li>Yes, in-year reports cover at least two-thirds, but not all, of expenditures.</li> <li>Yes, in-year reports cover less than two-thirds of expenditures.</li> <li>No in-year reports are released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> All expenditures, including public debt and debt re-scheduling, are included in the budget and are publicized in the various existing reports and systems</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>84. What is the most detail provided in the in-year reports on actual expenditures organized by <i>administrative unit</i>?</p> <ol style="list-style-type: none"> <li>The in-year reports on actual expenditures organized by administrative unit contain program-level detail.</li> <li>The in-year reports on actual expenditures organized by administrative unit contain departmental totals and some additional details (for instance, sub-department totals or major programs).</li> <li>The in-year reports on actual expenditures organized by administrative unit contain only departmental totals.</li> <li>The in-year reports on actual expenditures organized by administrative unit are not released to the public, not produced, or contain less information than departmental totals.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The reports present expenditures for Administrative Units but they do not detail programs and action. that is, they say how much it was expense but they do not say where</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>85. Do the in-year reports released to the public compare actual year-to-date expenditure with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ol style="list-style-type: none"> <li>Yes, comparisons are made for all expenditures.</li> <li>Yes, comparisons are made for at least two-thirds, but not all, of expenditures.</li> <li>Yes, but comparisons are made for less than two-thirds of expenditures.</li> <li>No, comparisons are not made, or no in-year reports are released to the public.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The reports contemplate comparisons of estimates of prescriptions and expenditures, but they lead in account, mainly the great expenditures as personal and retirements</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>86. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?</p> <ul style="list-style-type: none"> <li>a. In-year reports on actual revenue collections by source of revenue are released at least every month.</li> <li>b. In-year reports on actual revenue collections are released at least every quarter.</li> <li>c. In-year reports on actual revenue collections are released at least semi-annually.</li> <li>d. In-year reports on actual revenue collections by source of revenue are not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation and/or comment:</u> The inland revenue authority (Secretaria de Receita Federal) publishes a monthly balance and analysis of the variations; the National Treasury Secretariat publishes the figures; as does the Social Security</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>87. What share of revenue is covered by the in-year reports on actual revenue collections?</p> <ul style="list-style-type: none"> <li>a. In-year reports cover the actual revenue collections of all sources of revenue.</li> <li>b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.</li> <li>c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.</li> <li>d. In-year reports on actual revenue collections are not released to the public.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See previous item. Note that these are the revenues of the fiscal and social security budgets, and excludes revenues from State enterprises</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>88. Do the in-year reports released to the public compare actual year-to-date revenue collections with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?</p> <ul style="list-style-type: none"> <li>a. Yes, comparisons are made for all revenue sources.</li> <li>b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources.</li> <li>c. Yes, but comparisons are made for less than two-thirds of revenue sources.</li> <li>d. No, comparisons are not made, or no in-year reports are released to the public.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The Planning Minister’s rationale makes that comparison when the Scheduled Expenditures decree is issued, and the comparison can also be made in each of the revisions of that decree</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>89. Does the executive release to the public in-year reports on actual borrowing?</p> <ul style="list-style-type: none"> <li>a. Yes, in-year reports on actual borrowing are released at least every month.</li> <li>b. Yes, in-year reports on actual borrowing are released at least every quarter.</li> <li>c. Yes, in-year reports on actual borrowing are released at least semi-annually.</li> <li>d. No, in-year reports on actual borrowing are not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The National Treasury Secretariat publishes a report on indebtedness and the Central Bank issues a note to the press</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>90. Do in-year reports released to the public on actual borrowing present information related to the composition of government debt (such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt) for the budget year?</p> <ol style="list-style-type: none"> <li>Yes, extensive information related to the composition of government debt is presented.</li> <li>Yes, key additional information is presented, but some details are excluded.</li> <li>Yes, some additional information is presented, but it lacks important details.</li> <li>No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u> As in previous item. For further clarification, see report at: <a href="http://www.stn.fazenda.gov.br/hp/downloads/resultado/2005/nimmaio2005.pdf">http://www.stn.fazenda.gov.br/hp/downloads/resultado/2005/nimmaio2005.pdf</a></p> <p><u>Comment:</u></p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>91. For in-year reports on actual expenditure released to the public by the executive, how much time typically elapses between the end of the reporting period and when the report is released (e.g., are quarterly reports released less than 4 weeks after the end of the quarter)?</p> <ol style="list-style-type: none"> <li>Reports are released 1 month or less after the end of the period.</li> <li>Reports are released 2 months or less (but more than 1 month) after the end of the period.</li> <li>Reports are released more than 2 months after the end of the period.</li> <li>In-year reports are not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The integrated financial administration information system (SIAFI) enables information to be produced with only a small lag between the information's being produced and the report released</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>92. Does the executive release to the public a mid-year review of the budget that discusses the changes in economic outlook since the budget was enacted?</p> <ul style="list-style-type: none"> <li>a. Yes, the mid-year review includes an extensive discussion of the economy that includes a revised forecast for the full fiscal year and its effects on the budget.</li> <li>b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.</li> <li>c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.</li> <li>d. No, the mid-year review does not include a discussion of the economy, or the executive does not release a mid-year review of the budget.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u>  <a href="http://www.planejamento.gov.br/arquivos_down/sof/orcamento_2004/Relatorio_Avaliacao_3_bimestre.pdf">http://www.planejamento.gov.br/arquivos_down/sof/orcamento_2004/Relatorio_Avaliacao_3_bimestre.pdf</a></p> <p><u>Comment:</u>  The joint congressional budget committee’s 3rd bi-monthly report is a report on the semester, but is not highly detailed. In keeping with the guide to completion, we have marked “d” on this question, but we believe that the situation is closer to letter “b.” That procedure will continue in the following items.</p> <p><b><u>Peer Reviewer One Comment:</u></b> I agree with the answer but the comment mentions “b.”</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p> <p><b><u>IBP Comment:</u></b> IBP editors chose answer, “d” to maintain consistency of assumptions across countries. The study’s methodology requires that for a document(s) to be considered a Mid-Year Report, it must meet three criteria established under the OECD Best Practices for Budget Transparency for such documents. These three criteria are:</p> <ul style="list-style-type: none"> <li>a.) it must report on actual expenditures for the first six months of the budget year,</li> <li>b.) it must report on any unexpected macroeconomic or other developments the government encountered during the first six months of the budget year which caused it to depart from previously anticipated expenditures, revenue collection, or debt contained in the approved annual budget, and</li> <li>c.) it must provide revised estimates of expenditure, revenues and debt for the remaining six months of the budget year.</li> </ul> <p>The study’s methodology does not allow the substitution of monthly or quarterly In-Year reports issued six month into the budget year, for a Mid-Year Review for the purpose of responding to this question.</p>	<p>d</p>
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<p>93. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</p> <ul style="list-style-type: none"> <li>a. Yes, the mid-year review includes updated expenditure estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.</li> <li>b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.</li> <li>c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.</li> <li>d. No, the mid-year review does not include updated expenditure estimates for the budget year, or the executive does not release a mid-year review of the budget.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> See previous item.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>94. What is the most detail provided in the mid-year review for expenditures?</p> <ul style="list-style-type: none"> <li>a. The mid-year review includes program-level detail for expenditures.</li> <li>b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs).</li> <li>c. The mid-year review includes only departmental totals (or functional totals).</li> <li>d. The mid-year review includes less information than departmental totals (or functional totals) for expenditures, or the executive does not release a mid-year review of the budget.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The 3rd bi-monthly report details the main expenditures</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>95. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?</p> <ul style="list-style-type: none"> <li>a. Yes, the mid-year review includes updated revenue estimates for the full fiscal year, providing extensive information on why estimates have changed from the original enacted levels.</li> <li>b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided.</li> <li>c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.</li> <li>d. No, the mid-year review does not include updated revenue estimates for the budget year, or the executive does not release a mid-year review of the budget.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The 3rd bi-monthly report details the main estimates for revenues. From 2006 the Federal Government started to include an explanation on the reason of the reestimativa</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>d</p>
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<p>96. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain <i>minimal</i> level specified in law or regulation)?</p> <ol style="list-style-type: none"> <li>a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units.</li> <li>b. Yes, the executive gives prior notification to the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.</li> <li>c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.</li> <li>d. No, the executive shifts funds between administrative units without seeking input from the legislature, or the amount allowed under the law or by regulation is significantly large enough to undermine public scrutiny and accountability (please describe arrangements below).</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u>  Not, but exist actually the budget law sets a limit beyond which legislative approval must be given for supplementary credits. The law reads:  “Art. 4: The opening of supplementary credits is authorized, as long as the provisions of the sole paragraph of Art. 8 of the Fiscal Responsibility Law and Art. 66 of the 2005 Budget Guidelines Law are observed, and providing that the alterations made to the budget schedule are compatible with achieving the primary balance established in the Fiscal Targets in Annex to said Budget Guidelines Law, as well as the limits and conditions stipulated in this Article, for the supplementation of budget allocations:  I – at each subtitle, up to the limit of twenty percent of the respective amount specified in the Budget Law, by using funds originating from:  a) the partial annulment of allocations, limited to twenty percent of the value of the subtitle to be annulled specified in the Budget Law;  b) contingency reserve, including own and earmarked funds;  c) excess collection of own funds; and  d) up to ten percent of excess revenue collection by the National Treasury.”</p> <p><u>Peer Reviewer One Comment:</u></p> <p><u>Peer Reviewer Two Comment:</u></p>	<p>d</p>
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<p>97. During the past year, have there been credible reported instances in which the procurement of goods and services has not followed an open and competitive process in practice?</p> <ul style="list-style-type: none"> <li>a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.</li> <li>b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.</li> <li>c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.</li> <li>d. No, the procurement process was not open and competitive in practice.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  Brazil has a Tenders Law (Lei de Licitações - No. 8.666/93) which guides the process of procurement of goods and services and must be complied with by all the powers and bodies of the Federation. Discussion of the budget in Congress is accompanied by a report submitted by the Federal Court of Audit on public works with evidence of irregularities, for which there will be no allocation unless the problems are corrected. Last year, the main complaints of irregularities in the tendering process related to the use of corporate credit cards, which permit direct purchases to smaller amounts. The law does allow tendering to be waived, but there are a series of criteria to be met.  During 2006 many denunciations of irregularities had occurred, for example the acquisition of ambulances for the Health department in a clearly fraudulent process</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>b</p>
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98. When does the legislature typically approve supplemental budgets?

- a. Supplemental budgets are approved before the funds are expended, or the executive rarely proposes a supplemental budget (please specify).
- b. Supplemental budgets are approved after the funds are expended, or the executive implements supplemental budgets without ever receiving approval from the legislature (please specify).
- c. Not applicable/other (please comment).

Citation:

Comment:

In Brazil, supplemental budgets can be sought regardless of whether or not the funds have been expended.

Our situation may be summarized as follows: in April and October, the Executive submits its proposals to Congress. At the beginning of the year, applications for supplementation of the funds specified in the annual draft budget begin to be collected within the Executive and the other powers. The applications finally submitted to Congress are in fact a small part of what is requested by the agencies; the requests are for unimaginable amounts. Actually, additional credit is for exceptional circumstances, a catastrophe (flooding, drought) or a major opportunity that has arisen. Permanent requests for credit are a sign of disorganization and lack of planning, and an enormous waste of time.

For 2005, the Federal Budget Secretariat has now published Ministerial Order No. 03 of 16 March 2005, which lays down procedures and timeframes for requests for budget alterations for the 2005 fiscal year. It provides that "sectorial agencies will submit their applications for additional credits by their units to the Ministry of Planning, Budget and Management (SOF/MP) at the following times:

I - credits depending on legislative authorization: in the first two weeks of April and September; and

II - credits authorized in the annual budget law: in the first two weeks of April and September and November."

In fact, the movement for additional credits begins almost at the same time as the government publishes the Contingency Decree (Decreto de Contingenciamento).

In addition to this problem, when the additional credits are approved and the corresponding funds are not pledged in the course of the year, the government can renew the credit, which creates complications for budget execution of the funds scheduled for the year.

**Peer Reviewer One Comment:**

**Peer Reviewer Two Comment:**

C

<p>99. In most years, how large are supplemental budget requests relative to the size of the original budget?</p> <ol style="list-style-type: none"> <li>a. Supplemental budgets are generally equal to 2 percent or less of the original budget.</li> <li>b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.</li> <li>c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.</li> <li>d. Supplemental budget are generally equal to 10 percent or more of the original budget, or insufficient information is available to the public regarding the amount of supplemental budgets.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> It has to be remembered that when the supplementary budget proposal is before Congress, it is very often disfigured with a view to meeting members' local interests. When that happens, the Executive usually does not execute that kind of alteration.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p>100. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?</p> <ol style="list-style-type: none"> <li>a. Expenditures are approved before the funds are expended, or contingency funds or other funds with no specific purposes are not included in the budget.</li> <li>b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.</li> <li>c. Expenditures are approved after the end of the fiscal year, for example in the next budget.</li> <li>d. Such expenditure takes place without legislative approval.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The Classification by Type of Expenditure provides for a Contingency Reserve which is approved in the Annual Budget Law. The Contingency Reserve proposal for 2005 was R\$21.1 billion.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	e

<b>Executive's Year-end Report and the Supreme Audit Institution</b>	
<p>101. How long after the end of the budget year does the executive release to the public a year-end report that discusses the budget's actual outcome for the year?</p> <ul style="list-style-type: none"> <li>a. The report is released six months or less after the end of the fiscal year.</li> <li>b. The report is released 12 months or less (but more than six months) after the end of the fiscal year.</li> <li>c. The report is released more than 12 months after the end of the fiscal year.</li> <li>d. The executive does not release a year-end report.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u>  The rendering of accounts on government activities, which the President presents annually to Congress through the Federal Court of Audit, is prepared for each fiscal year by the agencies and organizations of the Federal Public Administration, in compliance with the provisions of paragraph XXIV of Article 84 of the Federal Constitution.  The overall balance sheet (Balanço-Geral da União), drawn up each year by the controller's office (Controladoria), is a consolidated document prepared from the reports submitted by the Ministries. In compliance with the Constitution, the Executive submits the balance to Congress by April 15. From there, it is forwarded for examination by the Court of Audit, which returns it to be voted by the Legislative.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>102. In the year-end report have the data on the actual outcomes been audited?</p> <ul style="list-style-type: none"> <li>a. Yes, all data on actual outcomes have been audited.</li> <li>b. At least two-thirds, but not all, of the data on actual outcomes have been audited.</li> <li>c. Less than two-thirds of the data on actual outcomes have been audited.</li> <li>d. None of the data on actual outcomes has been audited, or a year-end report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The overall balance sheet (Balanço Geral da União) is not audited in terms of programme execution. The Controller-General’s Office (Controladoria Geral da União) audits Programmes only when it receives complaints or randomly.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	e
<p>103. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> This is a document describing government actions in minute detail, by agency, financing agency, external funding etc.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>104. What level of detail is the focus of the explanation of the differences between the enacted levels and the actual outcome for expenditures presented in the year-end report?</p> <ul style="list-style-type: none"> <li>a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.</li> <li>b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).</li> <li>c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).</li> <li>d. No explanation of the differences is provided, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is a descriptive report by agency and programme</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>105. Does the year-end report explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Chapter II deals with execution of the overall federal budget (Orçamento Geral da União) and the budget, financial, asset and asset variation statements.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>106. Does the year-end report explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> Chapter IV deals with the economic and financial policy and the performance of government economy departments.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>107. Does the year-end report explain the difference between the original estimates of non-financial data and the actual outcome?</p> <ul style="list-style-type: none"> <li>a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>c. Yes, some explanation is presented, but it lacks important details.</li> <li>d. No, an explanation is not presented, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is a descriptive report designed to compare the non-financial situation, but the treatment is differentiated agency by agency.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>108. Does the year-end report explain the difference between the original performance indicators and the actual outcome?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or such a report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The treatment is differentiated agency by agency, and there are programmes that do not even construct performance indicators; for example, the Integrated Amazon Protection Information Programme (Programa de Informações Integradas para Proteção da Amazônia).</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	c
<p>109. Does the year-end report explain the difference between the enacted level of funds intended to benefit directly the country's most impoverished populations and the actual outcome?</p> <ol style="list-style-type: none"> <li>Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.</li> <li>Yes, an explanation is presented, highlighting key differences, but some details are excluded.</li> <li>Yes, some explanation is presented, but it lacks important details.</li> <li>No, an explanation is not presented, or such a report is not released.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> A "Fund" (Fundo) is a budgetary unit (Unidade Orçamentária), which discriminates expenditures by "Programme" and "Action." The social development ministry (Ministério do Desenvolvimento Social) website contains detailed information on these Programmes</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>110. Does the year-end report present the actual outcome for extra-budgetary funds?</p> <ul style="list-style-type: none"> <li>a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</li> <li>b. Yes, information is presented, highlighting key issues, but some details are excluded.</li> <li>c. Yes, some information is presented, but it lacks important details.</li> <li>d. No, information is not presented on extra-budgetary funds, or such a report is not released.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There are reports for funds such as the length-of-service fund (FGTS), but the Executive does not publish figures on pension funds.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>c</p>
<p><b><i>The Independence and Performance of the Supreme Audit Institution</i></b></p>	
<p>111. How long after the end of the fiscal year are the final annual expenditures of national departments audited and (except for secret programs) released to the public?</p> <ul style="list-style-type: none"> <li>a. Final audited accounts are released to the public six months or less after the end of the fiscal year.</li> <li>b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year.</li> <li>c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year.</li> <li>d. Final audited accounts are not completed within 24 months after the end of the fiscal year or they are not released to the public.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The Executive has to submit the accounts to Congress by April 18</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	<p>a</p>

<p>112. Two years after the completion of a fiscal year, what percentage of annual expenditures has been audited and (except for secret programs) the report(s) released to the public?</p> <ul style="list-style-type: none"> <li>a. All expenditures have been audited and the reports released to the public.</li> <li>b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.</li> <li>c. Expenditure representing less than two-thirds of expenditure have been audited.</li> <li>d. No expenditures have been audited, the reports have not been released to the public, or was released more than 24 months after the end of the fiscal year.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> A large proportion of government programmes are audited, but comparing this with a percentage of expenditures will not permit a correct interpretation, because public debt, payroll and social insurance expenditures account for 68% of the budget available to the Executive.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	e
<p>113. Does the annual audit report(s) that is released to the public include an executive summary?</p> <ul style="list-style-type: none"> <li>a. The annual audit report(s) includes one or more executive summaries summarizing the report's content.</li> <li>b. No, the audit report(s) does not include an executive summary, or such reports are not released to the public, or was released more than 24 months after the end of the fiscal year.</li> <li>c. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The situation differs department by department.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>114. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?</p> <p>a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before they are removed.</p> <p>b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.</p> <p>c. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> The Minister of the Federal Controller-General's Office (Ministro da Controladoria Geral da União) is appointed at the sole discretion of the President of the Republic.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>115. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?</p> <p>a. Yes, the SAI releases to the public audits of all extra-budgetary funds.</p> <p>b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.</p> <p>c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.</p> <p>d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds, or such a report was released more than 24 months after the end of the fiscal year.</p> <p>e. Not applicable/other (please comment).</p> <p><u>Citation:</u></p> <p><u>Comment:</u> There are reports on funds such as the length-of-service fund (FGTS), but the Executive does not publish figures on pension funds.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>116. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have <i>the discretion in law</i> to undertake those audits it may wish to?</p> <ol style="list-style-type: none"> <li>The SAI has full discretion to decide which audits it wishes to undertake.</li> <li>The SAI has significant discretion, but faces some limitations.</li> <li>The SAI has some discretion, but faces considerable limitations.</li> <li>The SAI has no discretion to decide which audits it wishes to undertake.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The CGU's (Controladoria Geral da União) has to be decide, but it has limitation of staff carry thorough the task. task</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>117. Who determines the budget of the Supreme Audit Institution?</p> <ol style="list-style-type: none"> <li>The budget of the SAI is determined by the legislature or judiciary (or some independent body), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.</li> <li>The budget of the SAI is determined by the executive, and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate.</li> <li>The budget of the SAI is determined by the legislature or judiciary (or some independent body), but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.</li> <li>The budget of the SAI is determined by the executive, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate.</li> <li>Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The Federal Controller-General's Office (Ministro da Controladoria Geral da União, CGU) was set up in 2001, and has problems such as a lack of staff and funding for travel and expenses. In a country the size of Brazil, there will always be a shortfall between the CGU's needs and the resources available</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

<p>118. Does the Supreme Audit Institution employ designated staff for undertaking audits of the central government agencies pertaining to the security sector (military, police, intelligence services)?</p> <ol style="list-style-type: none"> <li>a. The SAI employs designated staff, and the staffing levels are broadly consistent with the resources the SAI needs to fulfill its mandate.</li> <li>b. The SAI employs designated staff, but the staffing levels are a cause of some constraints to the SAI in fulfilling its mandate.</li> <li>c. The SAI employs designated staff, but the staffing levels pose a significant constraint on the SAI in fulfilling its mandate.</li> <li>d. The SAI does not employ designated staff for auditing of the security sector, or does not undertake audits of the security sector.</li> <li>e. Not applicable/other (please comment).</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The same as number 116.</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b
<p>119. Does the Supreme Audit Institution maintain formal mechanisms of communication with the public to receive complaints and suggestions to assist it in determining its audit program (that is, to identify the agencies, programs, or projects it will audit)?</p> <ol style="list-style-type: none"> <li>a. Yes, the SAI maintains mechanisms of communication with the public, and received more than 100 communications from the public during the past year.</li> <li>b. Yes, the SAI maintains mechanisms of communication with the public, and received less than 100 but more than ten communications from the public during the past year.</li> <li>c. Yes, the SAI maintains mechanisms of communication with the public but it receives very little (less than ten) or no information from the public on potential subjects for audit.</li> <li>d. No, the SAI does not maintain any formal mechanisms of communication with the public.</li> <li>e. Not applicable.</li> </ol> <p><u>Citation:</u></p> <p><u>Comment:</u> The CGU's counts on the General Ouvidoria of the Union for this task</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a

<p>120. Does a committee of the legislature view and scrutinize the audit reports?</p> <ul style="list-style-type: none"> <li>a. Yes, all audit reports are scrutinized.</li> <li>b. Yes, most audit reports are scrutinized.</li> <li>c. Yes, some audit reports are scrutinized.</li> <li>d. No, audit reports are not scrutinized.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The Federal Court of Audit (Tribunal de Contas da União), an agency attached to the Legislative, performs that task</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	a
<p>121. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?</p> <ul style="list-style-type: none"> <li>a. Yes, the executive reports publicly on what steps it has taken to address audit findings.</li> <li>b. Yes, the executive reports publicly on most audit findings.</li> <li>c. Yes, the executive reports publicly on some audit findings.</li> <li>d. No, the executive does not report on steps it has taken to address audit findings.</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The CGU's has divulged the actions for it carried through</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	b

<p>122. Does either the Supreme Audit Institution or the legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?</p> <ul style="list-style-type: none"> <li>a. Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.</li> <li>b. Yes, a report is released, covering key audit recommendations, but some details are excluded.</li> <li>c. Yes, a report is released, but it lacks important details.</li> <li>d. No, a report is not produced or it is prepared for internal purposes only (please specify).</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> The auditorships are directed for the <i>cabíveis</i> measures for the agencies but regular report of the courses of the processes does not exist</p> <p><b><u>Peer Reviewer One Comment:</u></b> the term <i>cabíveis</i> needs to be translated to English (appropriate, opportune, pertinent?)</p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d
<p>123. Are audit reports of the annual accounts of the security sector (military, police, intelligence services) and other secret programs provided to the legislature (or relevant committee)?</p> <ul style="list-style-type: none"> <li>a. Yes, legislators are provided with detailed audit reports related to the security sector and other secret programs.</li> <li>b. Yes, legislators are provided audit reports on secret items, but some details are excluded.</li> <li>c. Yes, legislators are provided audit reports on secret items, but they lack important details.</li> <li>d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).</li> <li>e. Not applicable/other (please comment).</li> </ul> <p><u>Citation:</u></p> <p><u>Comment:</u> There is not very enlightening financial information</p> <p><b><u>Peer Reviewer One Comment:</u></b></p> <p><b><u>Peer Reviewer Two Comment:</u></b></p>	d

**Additional Comments:**

*Please use this section to add any additional comments.*

**Peer Reviewer One Additional Comments:**

The answers are basically correct; I did just some minor suggestions of change with regards to indicators and on the difficulty to fit Brazilian budget regulations into the international model proposed for comparison between countries. Nevertheless, in Brazil, we continue suffering from some political habits that also reflect on the budget process. First, we have the so called “coalition presidential system,” where the Executive uses the national budget to get majority in Parliament through individual amendments from congressman (this continues to be a source of corruption). Second, there is the tendency to use tricks to avoid regular controls. For example, in order to bypass public contests to hire personal and services, it has been possible to transfer funds to particular NGOs or Foundations linked to politicians. Sometimes, even before a new program is decided, there is already a new NGO tailor-made to get the job, what was the case of “Pro-Jovem” in some regions (“Pro-Jovem” is a program to link capacity building and employment opportunity). A third point to be mentioned is that besides the improvements on audit control of budget performance, we still rely on denunciations from media and civil society organizations to open investigations on most of our recent corruption cases.