



EXPLAINING BUDGET DEVIATION

A BUDGET CREDIBILITY SNAPSHOT

April 2019

The study of budget credibility examines the extent, nature, causes and consequences of deviations from approved budgets. In this series, part of the International Budget Partnership’s Assessing Budget Credibility Project, 24 civil society partners in 23 countries probed a specific area in which execution of the national budget repeatedly diverged from the approved plan to learn whether adequate reasons were provided for the deviation. The broader synthesis report on these findings can be found [here](#).

BRAZIL: GENDER EQUITY

In Brazil, women are severely disadvantaged in socioeconomic terms, especially if they live in rural areas or are of color. In 2015, 88 percent of black rural women earned less than the minimum wage, compared to 43 percent of white men, according to the Institute for Applied Economic Research. They also suffer disproportionate levels of violence in the form of harassment, rape, and femicide, among others. Brazil has the fifth highest female homicide rate in the world, according to Femicide Dossier.

BUDGET CREDIBILITY CHALLENGE

The Secretariat on Policies for Women (SPM) was created in 2003 to advance gender equity and women’s rights. One of its programs, Women’s Policies: Promotion of Autonomy and Coping with Violence Against Women, is tasked with strengthening women’s autonomy, promoting gender equality, and providing services for women in situations of violence. However, this program has been seriously under-spent in recent years. For example, in 2017, the program only spent 36 percent of its annual budget and settled less than a third of its arrears. This may have compromised program performance against targets, though this is difficult to ascertain. For example, little progress has been made on one goal to create 27 service centers for victims of violence known as “Brazilian Women’s Houses,” since the initiative started in 2013, only 7 centers have been built as of 2018, and just 2 of these are fully operating. Official reports do not specify a target date to meet this goal, which brings on another challenge of understanding how budgets are supposed to be spent down.

WOMEN’S POLICIES: PROMOTION OF AUTONOMY AND COPING WITH VIOLENCE AGAINST WOMEN – BUDGET ALLOCATION AND EXECUTION, 2013-2017, IN MILLION REALS

| Year | Initial Allocation | Budgetary Execution | Budgetary Execution (%) | Expenditure arrears | Paid Expenditure arrears | Paid Expenditure Arrears (%) |
|------|--------------------|---------------------|-------------------------|---------------------|--------------------------|------------------------------|
| 2013 | R\$ 230.0 | R\$ 41.0 | 18% | R\$ 66.6 | R\$ 36.9 | 55% |
| 2014 | R\$ 238.4 | R\$ 65.7 | 28% | R\$ 153.9 | R\$ 103.1 | 67% |
| 2015 | R\$ 270.7 | R\$ 55.3 | 20% | R\$ 108.8 | R\$ 63.2 | 58% |
| 2016 | R\$ 136.9 | R\$ 41.7 | 30% | R\$ 112.3 | R\$ 44.0 | 39% |
| 2017 | R\$ 96.5 | R\$ 34.7 | 36% | R\$ 73.7 | R\$ 23.6 | 32% |

Source: SIGA Brasil

WERE EXPLANATIONS FOR THE DEVIATIONS FOUND IN GOVERNMENT REPORTS?

No. The following documents were reviewed:

- Annual Budget Law
- Pluri Annual Plan (PPA in Portuguese)
- Revenue and Expenses Evaluation Report
- Secretariat on Policies for Women's Management Report
- President's Accountability Report
- General Comptroller's Office's Evaluation Report on the Execution of Government Programs

None of these reports explained why this specific program has been under-spent. However, the President's Accountability Report provides some general explanations for why budget shifts were made. For example, the 2013 Accountability Report claims that adjustments were made with "the purpose of avoiding losses to the development of the Government's priority actions, without, however, compromising the fiscal targets."

DID THE GOVERNMENT AGREE TO BE INTERVIEWED TO EXPLAIN FURTHER?

Partially: Interview requests were sent to the Department of Policies for Women and the National Council of Women's Rights, but they were not answered. Information requests were sent to the Ministry of Human Rights, which subsumes the women's program, and the Ministry of Planning. The former stated that resources have been cut from the program because the Department of Policies for Women has been in disarray and lacks effective management. The latter simply re-affirmed the government's legal authority to modify the budget, without giving an explanation for why any specific changes were made.

WERE THE REASONS PROVIDED BY GOVERNMENT ADEQUATE?

The kinds of justifications presented in official documents are general, and cannot explain shifts at the program level. For example, the official explanations emphasize adjustments to the overall budget to accomplish fiscal targets without compromising priority actions, but do not explain any specific trade-offs made. Interviews with officials yielded only additional generic explanations. Neither the Ministry of Planning nor the Department of Policies for Women would take responsibility for the cuts to specific items within the Secretariat's budget. However, the evidence shows choices are being made – i.e., not all programs have been declining and some are even improving their execution over the period. In 2013, the Assistance to Women in Situation of Violence executed 52.6 percent of its allocation, and in 2017 only 26.4 percent, but in the same period, the Women's Assistance Hotline Service went from a level of 52.6 percent of execution to 79.5 percent. None of the explanations offered can explain these patterns.