This questionnaire was completed by:

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International Budget Project
OPEN BUDGET QUESTIONNAIRE
BRAZIL

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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.”

<table>
<thead>
<tr>
<th>Budget Documents Used in Completing the Questionnaire</th>
<th>Budget Year Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Pre-Budget Statement</td>
<td>2005(*)</td>
</tr>
<tr>
<td>Budget Summary</td>
<td>2005</td>
</tr>
<tr>
<td>Executive’s Budget Proposal</td>
<td>2005</td>
</tr>
<tr>
<td>Supporting Budget Documents</td>
<td>2005</td>
</tr>
<tr>
<td>Citizens Budget</td>
<td>Not Available</td>
</tr>
<tr>
<td>Enacted Budget</td>
<td>2005</td>
</tr>
<tr>
<td>In-Year Reports</td>
<td>2005</td>
</tr>
<tr>
<td>Mid-Year Report</td>
<td>Not Available</td>
</tr>
<tr>
<td>Year-End Report</td>
<td>2003</td>
</tr>
<tr>
<td>Audit Report</td>
<td>2003</td>
</tr>
</tbody>
</table>
Table 2. Internet Links for Key Budget Documents

Please provide the Internet link for the document, or indicate one of these three answers: “Not Produced,” “Produced, But Not Available to the Public,” “Publicly Available, But Not on the Internet.”

<table>
<thead>
<tr>
<th>Budget Document</th>
<th>Website</th>
</tr>
</thead>
</table>
| Pre-Budget Statement         | http://www.planejamento.gov.br/orcamento/cont_eudo/legislacao_legislacao_sof.HTM  
| Citizens Budget              | Not Produced                                                             |
| Mid-Year Review              | Not Produced                                                             |
|                              | Obs: until June 22, 2005 only the 2003 report available                |
| Audit Report                 | http://www2.tcu.gov.br/portal/page?_pageid=33,442508&_dad=portal&_schema=PORTAL |
| Other Documents | Technical budget manual  
|-----------------|--------------------------------------------------------------------------------------------------|
| Relevant Ministries & Departments | http://www.planejamento.gov.br/  
http://www.fazenda.gov.br/  
http://www.stn.fazenda.gov.br/  
www.tcu.gov.br  
http://www.portaldatransparencia.gov.br |
Table 3. Distribution of Documents Related to the Executive’s Budget Proposal

DISTRIBUTION OF BUDGET DOCUMENTS

For the following reports, place “Yes” in the appropriate row below to indicate if the report is:

<table>
<thead>
<tr>
<th>Pre-budget</th>
<th>Executive’s Budget Proposal</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
</tr>
<tr>
<td>A. Not produced, even for internal purposes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Produced for internal purposes, but not available to the public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Produced and available to the public, but only on request</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Pre-budget</th>
<th>Executive’s Budget (*)</th>
<th>Citizens budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Main document</td>
<td>Budget summary*</td>
</tr>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Advance notification of release is sent to users, media</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Released to public same day as official release to media</td>
<td>No</td>
<td>No*</td>
</tr>
<tr>
<td>4. Available on the Internet free of charge</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Free print copies available, limited distribution</td>
<td>No</td>
<td>No*</td>
</tr>
<tr>
<td>6. Free print copies available, mass distribution</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>7.</td>
<td>Readily available outside capital and/or big cities (^2)</td>
<td>Yes</td>
</tr>
<tr>
<td>8.</td>
<td>Written in more than one language</td>
<td>No</td>
</tr>
<tr>
<td>9.</td>
<td>News conference is held to discuss release</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*A budget summary should be a stand-alone document, which could include a budget speech or a separately published executive summary. Mark “Yes” if access by mail order or by Internet, if Internet service is readily available outside the capital and/or big cities. (*) The timeframes are set in the Federal Constitution.

This question includes reference to steps the executive takes to “promote interest” in budget reports. Although all documents are publicly available in the Internet, “promoting interest” would call for much more than is actually the case.

\(^1\)“Same day” is quite strict. Certainly the budget is made available when finished, even if a few days after news of its completion are published in the media.

\(^2\)Just to remain at the safe side, it might be the case that such free copies are made available somewhere even if very limited. The same applies to the next three boxes. Even then, it would be irrelevant, so that the “No” markings correctly describe the situation.
Table 4. Distribution of the Enacted Budget and Other Reports

<table>
<thead>
<tr>
<th>DISTRIBUTION OF ENACTED BUDGET AND OTHER REPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the following reports, place a “Yes” in the appropriate row below to indicate if the report is:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Not produced, even for internal purposes</td>
<td></td>
<td></td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Produced for internal purposes, but not available to the public</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Produced and available to the public, but only on request</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Produced and distributed to the public (for example, in libraries, posted on the Internet.)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th></th>
<th>Enacted budget</th>
<th>In-year reports</th>
<th>Mid-year review</th>
<th>Year-end report</th>
<th>Audit report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. The release date is known at least one month in advance</td>
<td>Yes</td>
<td>Yes</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>2. Advance notification of release sent to users, media</td>
<td>Yes</td>
<td>Yes</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>3. Released to public same day as official release to media</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>4. Available on the Internet free of charge</td>
<td>Yes</td>
<td>Yes</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>5. Free print copies available, limited distribution</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>6. Free print copies available, mass distribution</td>
<td>No</td>
<td>No</td>
<td>NA</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7. Readily available outside capital/big cities+</td>
<td>Yes</td>
<td>Yes</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>8. Written in more than one language</td>
<td>NA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. News conference is held to discuss release</td>
<td>Yes</td>
<td>Yes</td>
<td>NA</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*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.*

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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.

<table>
<thead>
<tr>
<th>The Executive’s Budget Proposal</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishes for the Budget Year and Beyond</td>
<td></td>
</tr>
<tr>
<td>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)?</td>
<td></td>
</tr>
</tbody>
</table>
| a. All expenditures are classified by administrative unit.  
b. Expenditures are classified by administrative unit, but some small units are not shown separately.  
c. Expenditures are classified by administrative unit, but a significant number of units are not shown separately.  
d. No expenditures classified by administrative unit are presented.  
e. Not applicable/other (please comment). | a |

Citation and/or comment:
The Technical Budget Manual (*Manual Técnico Orçamentário*, MTO) establishes an Institutional Classification which categorizes all expenditures into two levels of Budget Agencies and Units (*Órgãos e Unidades Orçamentárias*).

Brazil has a Budget Guidelines Law, the *Lei de Diretrizes Orçamentárias* (LDO) provided for in Article 165 of the Federal Constitution. The draft law is submitted to Congress for discussion and approval during the first half of the year prior to the budget.

Under Article 35 of the transitory constitutional provisions (*Ato das Disposições Constitucionais Transitórias*), Congress cannot adjourn without voting on the LDO. The bill must be submitted to the National Congress eight months prior to the close of the financial year, that is, around April 15, according to Article 35, paragraph 2, Clause II, of the *Ato das Disposições Constitucionais Transitórias*.

The bill must comprise “the goals and priorities of the federal public administration, including financial expenses for the following fiscal year; [it must] guide drafting of the annual budget law; specify alterations in tax law; and set out application policy for official investment funding agencies (art. 165 §2, Federal Constitution).” This is for the purpose of giving direction to preparation of the budget law.

But the LDO is before Congress, and while the various departments are going to flat out to prepare their plans, the Technical Budget Manual (*Manual Técnico Orçamentário*), which is prepared by the Federal Budget Secretariat/Ministry of Planning, Budget and Management (*Secretaria de Orçamento Federal/Ministério do Planejamento, Orçamento e Gestão*), circulates around all the departments of the three powers of the Union. The Manual addresses the same topics and competences as the law, and in effect reduces the latter’s ability to actually set guidelines for the budget. The Integrated Budget Information System (*Sistema Integrado de Dados Orçamentários, SIDOR*) is made available for departments to post their projected expenditures, at the same time as the LDO is before Congress. The LDO is approved in the final days of June, when not in July, and sanctioned in July/August (the LDO for 2005, Law No. 10.934, was sanctioned on 11 August 2004, 20 days before the deadline for submission of the Draft Budget [*Projeto de Lei Orçamentária*] to Congress).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

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2. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by functional classification?

a. All expenditures are classified by functional classification, and the categorization is compatible with international standards.
b. All expenditures are classified by functional classification, but the categorization is not compatible with international standards.
c. Some, but not all, expenditures are classified by function.
d. No expenditures classified by function are presented.
e. Not applicable/other (please comment).

Citation and/or comment: 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

3. Does the executive’s budget or any supporting budget documentation present expenditures for the budget year that are classified by economic classification?

a. All expenditures are classified by economic classification, and the categorization is compatible with international standards.
b. All expenditures are classified by economic classification, but the categorization is not compatible with international standards.
c. Some, but not all, expenditures are classified by economic classification.
d. No expenditures classified by economic classification are presented.
e. Not applicable/other (please comment).

Citation and/or comment: Annex I to Inter-ministerial Order (*Portaria Intermínisterial*) 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
4. Does the executive’s budget or any supporting budget documentation present expenditures for individual programs for the budget year?

   a. Program-level data are presented for all expenditures.
   b. Program-level data are presented for at least two-thirds of, but not all, expenditures.
   c. Program-level data are presented, but for less than two-thirds of expenditures.
   d. No program-level data are presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: The programs are divided into projects (fixed timeframe), activities (ongoing timeframe) and special operations (funds).

   **Peer Reviewer ONE Comment:**
   
   **Peer Reviewer TWO Comment:**

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)?

   a. Yes, multi-year estimates of aggregate expenditure are presented.
   b. No, multi-year estimates of aggregate expenditure are not presented.
   c. Not applicable/other (please comment).

   Citation and/or comment: 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 Programs and Actions, which are provided for in each budget in terms of programs 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).

   **Peer Reviewer ONE Comment:**
   
   **Peer Reviewer TWO Comment:**
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)?

   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).
   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.
   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.
   d. No, multi-year estimates are presented for aggregate expenditure only, or they are not presented at all.
   e. Not applicable/other (please comment).

   Citation and/or comment: See comment to previous question.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

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?

   a. All sources of tax revenue are identified individually.
   b. Sources of tax revenue amounting to at least two-thirds of, but not all, tax revenues are identified individually.
   c. Sources of tax revenue amounting to less than two-thirds of all tax revenues are identified individually.
   d. No sources of tax revenue are identified individually.
   e. Not applicable/other (please comment).

   Citation and/or comment: 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.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
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?

   a. All sources of non-tax revenue are identified individually.
   b. Sources of non-tax revenue amounting to at least two-thirds of, but not all, non-tax revenues are identified individually.
   c. Sources of non-tax revenues amounting to less than two-thirds of all non-tax revenue are identified individually.
   d. No sources of non-tax revenues are identified individually.
   e. Not applicable/other (please comment).

   Citation and/or comment: 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 distinguished from other revenues by the payment source.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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 and/or comment: The Draft Annual Budget (LOA – executive’s budget document) does not contain the multi-year estimates; they appear, in the LDO document that guides the LOA (in Annex IV, which deals with the targets for the Primary Surplus) but are not differentiated. 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), returns 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: The response is appropriate because in Brazil the LDO can also be considered a supporting budget document. The LDO needs to be approved by Congress and it is a law closely linked to the LOA. The observation made by the researcher about budget overestimation, although not directly linked to the question, is crucial to understanding one of the most important sources of corruption in Brazil. After the Contingency Decree (actually invalidated by unilateral decision of the executive part of the recent approved budget), there is a sad political tradition, perpetuated year after year, of exchanging votes in favor of executive’s projects for reviewing the contingency of proposals from the respective voter. It is not illegal, but immoral and it is a front door for “extralegal” (like offering positions inside national departments) and even illegal means of making a majority in favor of the executive in the Parliament. Around 20,000 positions in the national government are the result of “appointments” by the chief executive.

   Peer Reviewer TWO Comment:
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)?

   a. Yes, multi-year revenue estimates are presented for individual sources of revenue, and by revenue classification (such as tax and non-tax).
   b. Yes, multi-year estimates are presented by revenue classification (such as tax and non-tax), but only for some individual sources of revenue.
   c. Yes, multi-year estimates are presented, but only for some individual sources of revenue.
   d. No, multi-year estimates are presented for aggregate revenue only, or they are not presented at all.
   e. Not applicable/other (please comment).

Citation and/or comment: See previous item.

**Peer Reviewer ONE Comment:** The response is appropriate because in Brazil the LDO can be considered a supporting budget document.

**Peer Reviewer TWO Comment:**

11. Does the executive’s budget or any supporting budget documentation present data on the total government debt outstanding for the budget year?

   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).
   b. Yes, the data reflect the outstanding debt at the end of the budget year.
   c. Yes, the data reflect the outstanding debt at the start of the budget year.
   d. No, data on the outstanding debt are not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: 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.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
12. Does the executive’s budget or any supporting budget documentation present interest payments on the debt for the budget year?
   a. Yes, interest payments on the debt are presented.
   b. No, interest payments on the debt are not presented.
   c. Not applicable/other (please comment).

   Citation and/or comment: 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 programs 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.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment:

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?
   a. Yes, extensive information related to the composition of government debt is presented.
   b. Yes, key additional information is presented, but some details are excluded.
   c. Yes, some additional information is presented, but it lacks important details.
   d. No, additional information related to the composition of government debt is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: The information permits debt to be analyzed in terms of contractual and bond debt, by agency, primary balance etc.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment:
14. Does the executive’s budget or any supporting budget documentation present the macroeconomic forecast upon which the budget projections are based?

   a. 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.
   b. Yes, the macroeconomic forecast is discussed and most of the key assumptions are stated explicitly, but some details are excluded.
   c. Yes, there is some discussion of the macroeconomic forecast (and/or the presentation of key assumptions), but it lacks important details.
   d. No, information related to the macroeconomic forecast is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: 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, primarily due to high volume of debt, makes accurate estimates difficult.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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)?

   a. Yes, extensive information on the impact of macroeconomic assumptions on the budget is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the impact of the major macroeconomic assumptions, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on the impact of different macroeconomic assumptions on the budget is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: Annex IV to the LDO addresses this issue. 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

   a. Yes, extensive information on the impact of policy proposals on expenditures is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the impact of key policy proposals on expenditures, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on the impact of policy proposals on expenditures is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment:

   The researcher marked the answer as “b.” The President’s Message describes the impacts of the main policies, but as this is a political document, it expresses the government’s plans and goals rather than the realities of execution.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.” Given the fact that actual budget execution significantly differs from the legislature-approved budget, expressed intentions are not taken seriously.

   IBP Comment: IBP editors chose answer “b” to maintain the consistency of the data across the countries.
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?

   a. Yes, extensive information on the impact of policy proposals on revenues is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the impact of key policy proposals on revenues, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on the impact of policy proposals on revenues is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment:

   The researcher marked the answer as “b.” The executive’s draft budget is directed mainly to expenditure. There are revenue estimates, which very often conflict with the legislature’s estimates (see item 8). The impact on revenue that is shown in the documents relates basically to inflation, variation in GDP and changes in legislation. However, as previously mentioned, there are flaws in the estimates of these items.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.” See the previous comment. A similar observation applies here.

   IBP Comment: IBP editors chose answer “b” to maintain the consistency of the data across the countries.

   Estimates for Years Prior to the Budget Year

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)?

   a. All expenditures are classified by administrative unit for BY-1.
   b. Expenditures are classified by administrative unit for BY-1, but some small units are not shown separately.
   c. Expenditures are classified by administrative unit for BY-1, but a significant number of units are not shown separately.
   d. No expenditures classified by administrative unit are presented for BY-1.
   e. Not applicable/other (please comment).

   Citation and/or comment: See question 1.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
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?

   a. All expenditures are classified by functional classification for BY-1, and the categorization is compatible with international standards.
   b. All expenditures are classified by functional classification for BY-1, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by function for BY-1.
   d. No expenditures classified by function are presented for BY-1.
   e. Not applicable/other (please comment).

   Citation and/or comment: See question 2.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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?

   a. All expenditures are classified by economic classification for BY-1, and the categorization is compatible with international standards.
   b. All expenditures are classified by economic classification for BY-1, but the categorization is not compatible with international standards.
   c. Some, but not all, expenditures are classified by economic classification for BY-1.
   d. No expenditures classified by economic classification are presented for BY-1.
   e. Not applicable/other (please comment).

   Citation and/or comment: See question 3.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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)?

   a. Program-level expenditure data are presented for all expenditures for BY-1.
   b. Program-level expenditure data are presented for at least two-thirds of, but not all, expenditures for BY-1.
   c. Program-level expenditure data are presented, but for less than two-thirds of expenditures for BY-1.
   d. No program-level expenditure data are presented for BY-1.
   e. Not applicable/other (please comment).

Citation and/or comment: Chapter II of the LDO (On the Structure and Organization of the Budgets) stipulates that classification by programs and by projects/activities/special operations is obligatory.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
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)?

   a. All BY-1 estimates have been updated from the original enacted levels to reflect six or more months of actual expenditure.
   b. All BY-1 estimates have been updated from the original enacted levels, but reflect less than six months of actual expenditure.
   c. Some BY-1 estimates have been updated from the original enacted levels to reflect actual expenditure.
   d. The BY-1 estimates have not been updated from the original enacted levels, or no BY-1 estimates are presented.
   e. Not applicable/other (please comment).

   Citation and/or comment:

   The researcher’s response to this question was “e.” 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.

   Peer Reviewer ONE Comment: This is a difficult response, because as the researcher says, budget values are generally not corrected based on previous months expenditures. Notwithstanding, a more appropriate response to this question I think would be “c,” taking into consideration that the LDO should also be considered a part of the supporting budget documentation and that for some expenditures (as correctly mentioned by the researcher) BY-1 updated estimates are shown.

   Peer Reviewer TWO Comment: A more appropriate response to this question would be “a.” The researcher’s answer apparently addresses revisions of BY, and not BY-1 actual data, which are available.

   IBP Comment: IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.

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)?

   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).

   Citation and/or comment: 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.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
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)?

   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).

Citation and/or comment:

The researcher marked the answer as “b.” 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. The answer is (b), because these are presented for only some programs.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “c” for the same reasons as explained by the researcher, but considering that only the health and social security area is considered.

Peer Reviewer TWO Comment:

IBP Comment: IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries. Prior-year estimates are provided for economic classification and for some individual programs, which satisfies the conditions for a “b” answer.
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?
   a. Two years prior to the budget year (BY-2).
   b. Three years prior to the budget year (BY-3).
   c. Before BY-3.
   d. No actual data for all expenditures are presented in the budget or supporting budget documentation.
   e. Not applicable/other (please comment).

   Citation and/or comment: BY-2 (AE-2) and an 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% of 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 actual expenditure.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

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?
   a. Yes, prior-year data are always adjusted to be comparable to the budget year data.
   b. Yes, in most cases, prior-year data are adjusted to be comparable.
   c. Yes, in some cases, prior-year data are adjusted to be comparable, but significant deviations between prior-year and budget-year classifications exist.
   d. No, prior-year data are not adjusted to be comparable, or no prior-year estimates are presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: Government programs, projects and actions have changed names very frequently, or they simply appear with fictitious names. One of the present government’s main programs – bolsa familia (family grant) – will not be found under that name in the executive budget.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
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)?**

   a. All tax revenues are identified individually for BY-1.
   b. Tax revenues amounting to at least two-thirds of, but not all, tax revenue for BY-1 are identified individually.
   c. Tax revenues amounting to less than two-thirds of all tax revenues for BY-1 are identified individually.
   d. No tax revenues are identified individually for BY-1.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** There is a chart showing the evolution of National Treasury revenues by economic category and source.

   **Peer Reviewer ONE Comment:**
   **Peer Reviewer TWO Comment:**

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)?**

   a. All non-tax revenues are identified individually for BY-1.
   b. Non-tax revenues amounting to at least two-thirds of, but not all, non-tax revenue for BY-1 are identified individually.
   c. Non-tax revenues amounting to less than two-thirds of all non-tax revenues for BY-1 are identified individually.
   d. No non-tax revenues are identified individually for BY-1.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** There is a classification by source that permits such identification. For example, donations by international organizations are classified as No. 195; donations to the Zero Hunger program are classified as No. 194. Capital revenues are also identified.

   **Peer Reviewer ONE Comment:**
   **Peer Reviewer TWO Comment:**
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)?

   a. All BY-1 estimates have been updated from the original estimates to reflect six or more months of actual revenue collections.
   b. All BY-1 estimates have been updated from the original estimates, but reflect less than six months of actual revenue collections.
   c. Some BY-1 estimates have not been updated from the original estimates to reflect actual revenue collections.
   d. The BY-1 estimates have not been updated from the original estimates or no BY-1 estimates are presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: The federal inland revenue authority (Secretaria da Receita Federal, which works jointly with the federal budget office, Secretaria de Orçamento Federal, to produce revenue data) publishes revenues collected monthly. The limits for the agencies are normally announced in June/July and based on April/May.

Peer Reviewer ONE Comment: The response provided by the researcher is appropriate even though the comment is a little bit confusing because it gives an answer to a question that is not in the questionnaire, but that is relevant for budget analysis purposes to know when the agencies normally have their limits announced. Year reports and monthly reports are provided by the executive updating estimates from previous years and on the budget under execution.

Peer Reviewer TWO Comment:

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)?

   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).

   Citation and/or comment: There is a table showing the on-going estimates of National Treasury revenues by economic category and source.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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)?

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).

Citation and/or comment: There is a table showing on-going estimates of National Treasury revenues by economic category and source.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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?

a. Two years prior to the budget year (BY-2).

b. Three years prior to the budget year (BY-3).

c. Before BY-3.

d. No actual data for all revenues are presented in the budget or supporting budget documentation.

e. Not applicable/other (please comment).

Citation and/or comment: See questions 28 and 29.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
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?

   a. Yes, extensive information is presented on the level and composition of government debt for the year preceding the budget year.
   b. Yes, information on the level of debt is presented, but some important details about the composition of the debt are excluded.
   c. Yes, but only information on the level of debt is presented.
   d. No, information related to the government debt for BY-1 is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: There is a table showing contractual and bond debt serviced by government agency.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

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?

   a. Two years prior to the budget year (BY-2).
   b. Three years prior to the budget year (BY-3).
   c. Before BY-3.
   d. No actual data for government debt are presented in the budget or supporting budget documentation.
   e. Not applicable/other (please comment).

   Citation and/or comment: There is a chapter in the draft LOA dealing with servicing non-convertible debt by agency and by budget unit. There is also a chapter in the LDO on this subject. The federal treasury secretariat (STN) and the central bank publish the status of the public debt.

   **Peer Reviewer ONE Comment:** In the 2005 budget documents, actual debt data for BY-2 is presented.

### Comprehensiveness

<table>
<thead>
<tr>
<th>35.</th>
<th>Does the executive’s budget or any supporting budget documentation present information for at least the budget year on extra-budgetary funds?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive information on extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting key extra-budgetary funds, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information on extra-budgetary funds is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: The Length of Service Retirement Fund (*Fundo de Garantia por Tempo de Serviço*, FGTS), management of which is completely divorced from the budget, is 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.

Peer Reviewer ONE Comment: Though the International Monetary Fund’s (IMF) latest ROSC for Brazil and the CFAA state that Brazil’s budget is comprehensive and that there are no extra-budgetary funds. This is not accurate, and the answer provided by the researcher is correct.

Peer Reviewer TWO Comment:

<table>
<thead>
<tr>
<th>36.</th>
<th>Does the executive’s budget or any supporting budget documentation present information for at least the budget year on intergovernmental transfers?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, extensive information on intergovernmental transfers is presented, including both a narrative discussion and quantitative estimates.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting key intergovernmental transfers, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information on intergovernmental transfers is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: Though comprehensive data is provided on intergovernmental transfers there is no narrative text. There are two programs 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
37. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on transfers to public corporations?

   a. Yes, extensive information on transfers to public corporations is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key transfers to public corporations, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on transfers to public corporations is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment:

The researcher marked the answer as “b.” 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, regarding government payments to the federal data processing service (Serviço Federal de Processamento de Dados, Serpro).

**Researcher Response to Peer Reviewer:** The government’s accountancy system provides for the maintenance of comprehensive information on transfers to public corporations, though in the past such information was lacking during recovery programs instituted by State banks.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c.”

For some years now, the executive ceased to bail out public companies by means of transfers. However, since there is no consolidated data on the aggregate of the 130 or so Brazilian public companies, perhaps it would be hazardous to flatly state that such operations do not happen at all. This would justify marking this question as “c” rather than “b.” Observe that payments as in the example of Serpro are not unjustified transfers, but correspond to services rendered to the various ministries.

**IBP Comment:** IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
38. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on quasi-fiscal activities?

   a. Yes, extensive information on quasi-fiscal activities is presented, including both a narrative discussion and, where possible, quantitative estimates.
   b. Yes, information is presented, highlighting key quasi-fiscal activities, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on quasi-fiscal activities is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: 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 in 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.

Peer Reviewer ONE Comment: Once more, diverging from ROSC and CFAA statements on this field, the researcher answer is correct if we consider a broader definition of quasi-fiscal activities (including political bias on state banks loans and the political use of some agencies’ funds, such as for publicity) which is essential in Brazil’s case, regarding the recent corruption scandals involving some state owned companies (mostly linked to the use of huge funds for publicity but not only; there is also a history of controversial loans made by BNDES in the past during the privatizations in the 90’s). It is important to register that a lot of progress has been made to eliminate quasi-fiscal activities in Brazil, especially after the inclusion of monetary operations by Central Bank in the general government. However, there is still a considerable margin of maneuver for the government to operate outside budget constraints.

Peer Reviewer TWO Comment:
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 and/or 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 a gross debt of R$1,383.1 billion and a net debt of R$ 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 regarding 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), against which complaints of embezzlement are routinely made. The balance of applications by these funds as of June 30, 2004 totaled R$ 23.4 billion. The financial assets of the state enterprises, particularly the government funding agencies (BNDES, Banco do Brasil, Banco do Nordeste, Banco da Amazônia and Caixa Econômica Federal) are not given in the LOA.

Peer Reviewer ONE Comment:

   Peer Reviewer ONE Comment: Some information is extensive (although not explicitly in the budget, but elsewhere), but its interpretation is subjected to debate, as pointed out by the researcher.

40. Does the executive's budget or any supporting budget documentation present information on non-financial assets held by the government?

   a. Yes, extensive information on non-financial assets is presented, including a listing of the assets, a discussion of their purpose, and (where possible) 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 non-financial assets is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: Non-financial assets (the sum of amounts that do not affect financial movement, comprising current assets, short-term amounts outstanding, long-term assets and permanent assets) are not declared, but their volume is large.

Peer Reviewer ONE Comment: The response provided by the researcher is correct. The state has a lot of land properties that are not declared.

Peer Reviewer ONE Comment: I concur with the researcher’s answer.
41. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on expenditure arrears?

a. Yes, extensive information on expenditure arrears is presented, including both a narrative discussion and quantitative estimates.
b. Yes, information is presented, highlighting key expenditure arrears, but some details are excluded.
c. Yes, some information is presented, but it lacks important details.
d. No, information on expenditure arrears is not presented.
e. Not applicable/other (please comment).

Citation and/or comment: As provided for in law No. 4.320/64, arrears are recorded as pending payables 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 pending payables leads to a series of problems for budget transparency and execution. In the Ministry of Transportation, for instance, a sizable amount of the execution of the current year generally begins at year-end, and ends up becoming pending payables 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).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

42. Does the executive’s budget or any supporting budget documentation present information on contingent liabilities (such as government loan guarantees)?

a. Yes, extensive information on contingent liabilities is presented, including both a narrative discussion and quantitative estimates.
b. Yes, information is presented, highlighting key contingent liabilities, but some details are excluded.
c. Yes, some information is presented, but it lacks important details.
d. No, information on contingent liabilities is not presented.
e. Not applicable/other (please comment).

Citation and/or comment: There is an annex to the LDO that deals with “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. One of the budget annexes lists expenditures with these characteristics.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
43. Does the executive’s budget or any supporting budget documentation present information on future liabilities, such as civil service pensions?

   a. Yes, extensive information on future liabilities is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key future liabilities, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on future liabilities is not presented.
   e. Not applicable/other (please comment).

   Citation and/or comment: 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 officials (*Regime Próprio de Previdência Social dos Servidores Públicos Militares da União*).

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

44. Does the executive’s budget or any supporting budget documentation provide details on the sources of donor assistance, both financial and in-kind?

   a. All sources of donor assistance are identified individually.
   b. At least two-thirds of, but not all, sources of donor assistance, are identified individually.
   c. Less than two-thirds of sources of donor assistance are identified individually.
   d. No sources of donor assistance are identified individually.
   e. Not applicable/other (please comment).

   Citation and/or comment: Three budget sources classify donor assistance **three budget sources classify donor assistance***: i) donations to combat hunger (*Doações para Combate à Fome* - 194), ii) donations by international organizations (*Doações de Entidades Internacionais* – 195) and iii) donations from private Brazilian individuals or institutions (*Doações de Pessoas ou Instituições Privadas Nacionais* – 196), but the donor is not identified.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
45. Does the executive’s budget or any supporting budget documentation present information for at least the budget year on tax expenditures?

- a. Yes, extensive information on tax expenditures is presented, including both a narrative discussion and quantitative estimates.
- b. Yes, information is presented, highlighting key tax expenditures, but some details are excluded.
- c. Yes, some information is presented, but it lacks important details.
- d. No, information on tax expenditures is not presented.
- e. Not applicable/other (please comment).

Citation and/or comment:

The researcher’s response to this question was “a.”

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. Although the response chosen is (a), note that there is no narrative discussion in the documents on tax incentives.

**Researcher Response to Peer Reviewer:** Information provided in the website of the Secretariat of Federal Revenue, refer to:
http://www.receita.fazenda.gov.br/publico/arre/2006/AnalisemensalJun06.pdf, which justifies “a.”

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “b” because extensive information is presented, but there is no narrative text (the same as question 36).

**Peer Reviewer TWO Comment:**

**IBP Comment:** IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries. An “a” answer requires the presentation of both quantitative estimates and a narrative discussion.
46. Does the executive’s budget or any supporting budget documentation identify all earmarked revenues?

a. All earmarked revenues are identified individually.
b. At least two-thirds of, but not all, earmarked revenues are identified individually.
c. Less than two-thirds of earmarked revenues are identified individually.
d. No earmarked revenues are identified individually.
e. Not applicable/other (please comment).

Citation and/or comment: 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, whereas such 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 was introduced (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).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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?

a. One percent or less of expenditure is dedicated to secret items.
b. Three percent or less, but more than one percent, of expenditure is dedicated to secret items.
c. Eight percent or less, but more than three percent, of expenditure is dedicated to secret items.
d. More than eight percent of expenditure is dedicated to secret items, or the percentage is not available to the public.
e. Not applicable/other (please comment).

Citation and/or comment: 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
<table>
<thead>
<tr>
<th>48.</th>
<th>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?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>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.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting the link between major policy goals and the budget, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information on the link between the budget and the government’s stated policy goals is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** 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.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** The policy goals are quite vague and rarely presented alongside detailed data.

<table>
<thead>
<tr>
<th>49.</th>
<th>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)?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>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.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, information is presented, highlighting the major policy goals, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, information on the link between the budget and the government’s stated policy goals over a multi-year period is not presented.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** 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 programs and actions, which are quantified in the budget under Programs and Projects/Activities/Special Operations.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** However, it is largely agreed that the link between yearly policies and the multi-year plan is scant.
50. Does the executive’s budget or any supporting budget documentation present non-financial data, such as the number of beneficiaries, for expenditure programs?

a. Non-financial data are presented for all programs.
b. Non-financial data are presented for programs representing at least two-thirds of, but not all, expenditures.
c. Non-financial data are presented for programs representing less than two-thirds of expenditure.
d. No non-financial data are presented.
e. Not applicable/other (please comment).

Citation and/or comment: The data are presented by program 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

51. Are the non-financial data presented useful for assessing how an expenditure program is performing?

a. The non-financial data are very useful for assessing program performance.
b. The non-financial data are mostly useful for assessing program performance.
c. The non-financial data are somewhat useful for assessing program performance.
d. No non-financial data are provided or they are not useful for assessing program performance.
e. Not applicable/other (please comment).

Citation and/or comment:

The researcher’s response to this question was “b.” 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 Labor Foci” 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 labor.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “c” or even “d.” The reason for this is that too often a program’s performance is measured not by its end-products, but by ancillary pseudo-indicators. For instance, if there is a program to train members of a certain target population to perform something (paramedical assistance, for example), the “measurement” is not the actual performance of the persons trained, but how many classes were given, to how many persons, and in how many municipalities.

IBP Comment: IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries. This question seeks to measure the quality of the non-financial information and not the amount of information provided.
52. Does the executive’s budget or any supporting budget documentation contain performance indicators for expenditure programs?

   a. Performance indicators are presented for all programs.
   b. Performance indicators are presented for programs representing at least two-thirds of, but not all, expenditures.
   c. Performance indicators are presented for programs representing less than two-thirds of expenditures.
   d. No performance indicators are presented.
   e. Not applicable/other (please comment).

Citation and/or comment:

**The researcher marked the answer as “b.”** Indicators have been constructed for a large part of the programs. For example: the Program 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 programs for which indicators are still being constructed. One example of an indicator under construction is the Amazon Protection Program (*Programa de Proteção da Amazônia, SIPAM*). Others have bureaucratic indicators, those relating to public administration.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “c” or even “d.” See the previous comment.

**IBP Comment:** IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries. Unlike the previous question, this question seeks to measure the extent of coverage of performance indicators across programs and not the quality of the performance indicators.

53. Are the performance indicators sufficiently well designed, such that one can assess whether there has been progress toward meeting policy goals?

   a. All performance indicators are well designed.
   b. Most performance indicators are well designed.
   c. Some performance indicators are well designed, but most are not.
   d. No programs have performance indicators, or they are not well designed.
   e. Not applicable/other (please comment).

Citation and/or comment: The main problem here is the obligation to construct indicators for all programs. However, there are problems of inappropriate design with indicators still under construction.

**Peer Reviewer ONE Comment:** The work on indicators of results for public policies in Brazil is very recent and most of the time they are very weak or just replicate the action (the indicator for campaigning tourist attraction is “campaign completed”). There is a hard road still to be followed in terms of measuring concrete results and effective costs for governmental actions.

**Peer Reviewer TWO Comment:** Creating significant indicators, which entails establishing routines to systematically collect and analyze relevant data, is in general in dire need everywhere. This matter has been in discussion in think tanks and academic circles for many years now.
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 and/or comment: Most of the indicators are used in conjunction with performance targets. However, the demand far outstrips the amount of funds available. In this way, even though the indicators are used in conjunction with a target, the problem is not solved, because funding is not available to achieve the result.

Peer Reviewer ONE Comment: The problem here, once more, like in the previous question, is the refusal to use concrete indicators of results. Where this is still a lesson to be learned, what about the comparison of costs of services (entropy), number of beneficiaries and results, in order to get a more fair and effective distribution of the scarce resources available? As a result, we follow the spotlights of the media: we have a lot of resources to fight AIDS, for example, which is good, but no funding to fight leprosy, tuberculosis and other supposed long-forgotten diseases, which are much more commonplace especially among the poor.

Peer Reviewer TWO Comment: With all the caveats previously expressed.

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?

a. Yes, extensive information on policies intended to alleviate poverty is presented, including both a narrative discussion and quantitative estimates.
b. Yes, information is presented, highlighting the impact of key policies intended to alleviate poverty, but some details are excluded.
c. Yes, some information is presented, but it lacks important details.
d. No, information on policies intended to alleviate poverty is not presented.
e. Not applicable/other (please comment).

Citation and/or comment: 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 a day; in extreme 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: There is also the matter of the quality of the policies applied. Most government programs of this sort have been designed as direct transfers of money to impoverished populations. Of course, the impact of such a strategy on actual poverty reduction is subjected to debate. Critics point out that job creation, reduction of income inequality and other long-term economic measures would be more appropriate approaches to reaching the goal of poverty reduction.
<table>
<thead>
<tr>
<th>Additional Key Information for Budget Analysis &amp; Monitoring</th>
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<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

56. Does the executive make available to the public a description of the tax rate or fee schedule for all revenue sources?

   a. Yes, extensive information on tax rates and fee schedules is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting the rates and fees for major revenue sources, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment:

**The researcher marked the answer as “b.”** 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 they are reported in a manner enormously difficult to understand what types of revenue that are collected. The rules established by the internal revenue authorities (*Secretaria da Receita Federal*) maintain this difficulty, the description of tax rates is not all-inclusive or comprehensive.

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “a.” Despite the complexity of the legislation, the tax rates and fee schedules for all revenue sources are presented including the narrative and quantitative. It is difficult to understand but the information is there.

**Peer Reviewer TWO Comment:**

**IBP Comment:** IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
57. Does the executive make available to the public an analysis of the distribution of the tax burden?
   a. Yes, a detailed analysis of the distribution of the tax burden is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an analysis is presented, highlighting key aspects of the distribution, but some details are excluded.
   c. Yes, some analysis is presented, but it lacks important details.
   d. No analysis on the distribution of the tax burden is presented.
   e. Not applicable/other (please comment).

Citation and/or comment:

The researcher’s response to this question was “b.” The internal revenue authority (Secretária da Receita Federal) publishes a monthly report on the revenue it collects, including analyses of any major variations. However, this is not detailed by income bracket, by region, etc.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “c.” The information provided by Secretaria da Receita Federal includes the level of taxes paid by level of salaries, not population income. This is biased information, because people with non-salaried sources of income, like rentiers, are not there for comparison.

Peer Reviewer TWO Comment: For exactly the reasons stated by the researcher, this question could be answered as “c.” The border between them is fuzzy.

IBP Comment: IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.

58. Does the executive make available to the public an explanation of the conditions associated with assistance from international financial institutions (IFI)?
   a. Yes, extensive information on conditions associated with IFI assistance is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on conditions associated with IFI assistance is not presented.
   e. Not applicable/other (please comment).

Citation and/or comment: 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; currently at 4.25%, which is high at approximately R$76.0 billion. The World Bank and the 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 the maintenance of a social protection network, but the network created to meet IMF conditions simply replicated existing policies carried out under the Social Assistance law (Lei Orgânica de Assistência Social).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
59. Does the executive make available to the public an explanation of the conditions associated with assistance from donor countries?

   a. Yes, extensive information on conditions associated with donor country assistance is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information on conditions associated with donor country assistance is not presented.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** The information is dispersed through the agencies that receive the donations. It is possible to consolidate the information which would require technical specialists. To piece them together by bureaucratic means, via the classification by source, would not permit any clear interpretation as to the reason for the donation.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

60. Does the executive make available to the public a summary that describes the budget and its proposals?

   a. Yes, it provides a summary that is very informative.
   b. Yes, it provides a summary that is somewhat informative.
   c. Yes, but the summary is not very informative.
   d. No, it does not provide a summary.
   e. Not applicable/other (please comment).

   **Citation and/or comment:** The government does make a summary available electronically, from which it is possible to see the main budget spreadsheets, which can be accessed at:

   [http://www.planejamento.gov.br/arquivos_down/sof/apres_ministro_ORC05.pps](http://www.planejamento.gov.br/arquivos_down/sof/apres_ministro_ORC05.pps)

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
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?

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<tbody>
<tr>
<td>a.</td>
<td>Yes, it publishes a citizens budget that is very informative.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, it publishes a citizens budget that is somewhat informative.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, but the citizens budget is not very informative.</td>
</tr>
<tr>
<td>d.</td>
<td>No, it does not publish a citizens budget.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: No budget is published in a language accessible to the general public.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

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)?

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<tbody>
<tr>
<td>a.</td>
<td>Yes, thorough definitions of budget terms are provided.</td>
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<tr>
<td>b.</td>
<td>Yes, definitions are provided, but some details are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, some definitions are provided, but it lacks important details.</td>
</tr>
<tr>
<td>d.</td>
<td>No, definitions are not provided.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: See comment to question 60. There is a glossary on the national treasury secretariat (STN) website, but it is not easy to understand.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

63. Does the executive make available to the public a summary of the budget process?

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<tbody>
<tr>
<td>a.</td>
<td>Yes, it includes a summary of the budget process that is very informative.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, it includes a summary of the budget process that is somewhat informative.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, but the summary of the budget process is not very informative.</td>
</tr>
<tr>
<td>d.</td>
<td>No, it does not include a summary of the budget process.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: The information is public (see question 60), but difficult to understand.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
64. Do citizens have the right in law to access government information, including budget information?

   a. Yes, the right has been codified into law, and citizens are generally able in practice to obtain government information, including budget information.
   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.
   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.
   d. No, the right to access government information has not been codified into law, or this right does not include access to budget information.
   e. Not applicable/other (please comment).

Citation and/or comment:

The researcher’s response to this question was “d.” There is no legal decision on access to budget information. Congress makes information bases available that enable analyses to be made.

Peer Reviewer ONE Comment: Access to the integrated information system (SIAFI) is one of the most important demands made by the Brazilian Budget Forum, a forum integrated by civil society organizations linked to social movements and focused on budget analysis (www.forumfbo.org.br). Up to now, it has remained just a promise.

Peer Reviewer TWO Comment: This question conflates two issues into one. The first and more important issue concerns access to information in general. Although the Constitution guarantees access to state-held information to every person (Article 5, item 33) and establishes that providing information is a duty (article 37), this is not regulated by law, so that in actual practice access to information is haphazard. The second issue is budgetary information, which has increasingly been made public and with growing detail, as the answers to this questionnaire show.

IBP Comment: IBP editors chose answer “c” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the Guide to the Open Budget Questionnaire. Since the constitution provides for access to information, the IBP survey methodology requires this question to be marked “c.”
65. 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)?

   a. In practice, highly disaggregated information is available to the public for all programs except those considered related to national security or military intelligence.
   b. In practice, highly disaggregated information is available to the public for programs representing at least two-thirds of, but not all, expenditures.
   c. In practice, highly disaggregated information is available to the public for programs representing less than two-thirds of expenditures.

   a. In practice, no highly disaggregated expenditure information is available.
   b. Not applicable/other (please comment).

Citation and/or comment: Disaggregated information is available via the legislature 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 has yet to occur. Information searches are usually carried out agency by agency.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: It would be hazardous to give a definite answer to this question in the terms stated (one-third, two-thirds etc). Some programs might provide such disaggregated information, but how many actually do is an open question.
66. 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?

   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.
   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.
   c. In practice, highly disaggregated non-financial information is available to the public for programs representing less than two-thirds of expenditures.
   d. In practice, no highly disaggregated non-financial expenditure information is available.
   e. Not applicable/other (please comment).

   Citation and/or comment: 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: http://www.transparencia.gov.br), where one can find, for example, most of the funds transferred to states and municipalities, including listings of the beneficiaries.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment: See the previous comment.
Section Three: The Budget Process
### The Budget Process

#### Executive’s Formulation of the Budget

<table>
<thead>
<tr>
<th>Q.</th>
<th>How far in advance of the release of the budget is the day of its release known?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>The release date is set in permanent law.</td>
</tr>
<tr>
<td>b</td>
<td>The executive announces the release date at least two months in advance.</td>
</tr>
<tr>
<td>c</td>
<td>The executive announces the release date less than two months but more than</td>
</tr>
<tr>
<td></td>
<td>two weeks in advance.</td>
</tr>
<tr>
<td>d</td>
<td>The executive announces the release date two weeks or less before the release,</td>
</tr>
<tr>
<td></td>
<td>or makes no announcement.</td>
</tr>
<tr>
<td>e</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** 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 the 31st of August of the prior year. That is the period when the draft is made public.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>Q.</th>
<th>Does the executive release to the public its timetable for its budget preparation process?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Yes, a detailed timetable is released to the public.</td>
</tr>
<tr>
<td>b</td>
<td>Yes, a timetable is released, but some details are excluded.</td>
</tr>
<tr>
<td>c</td>
<td>Yes, a timetable is released, but it lacks important details.</td>
</tr>
<tr>
<td>d</td>
<td>No, a timetable is not issued to the public.</td>
</tr>
<tr>
<td>e</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** 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.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
<table>
<thead>
<tr>
<th></th>
<th>69. Does the executive adhere to its timetable for the preparation and release of the budget?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>The executive adheres to the dates in its timetable.</td>
</tr>
<tr>
<td>b.</td>
<td>The executive adheres to most of the key dates in its timetable.</td>
</tr>
<tr>
<td>c.</td>
<td>The executive has difficulty adhering to most of the dates in its timetable.</td>
</tr>
<tr>
<td>d.</td>
<td>The executive does not adhere to the dates in its timetable, or it does not release to the public its timetable.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment:

**The researcher’s response to this question was “b.”** 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.

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “d,” for the same reasons as the precedent question.

**Peer Reviewer TWO Comment:**

**IBP Comment:** IBP editors chose answer “d” to maintain consistency with the guidance provided to researchers for correctly completing the questionnaire in the *Guide to the Open Budget Questionnaire*. The survey methodology requires that if question 68 is answered “d” then question 69 will be automatically answered “d” as the timetable is not made public.
70. Does the executive hold consultations with members of the legislature as part of its process of determining budget priorities?

a. Yes, the executive holds extensive consultations with a wide range of legislators.
b. Yes, the executive holds consultations with a range of legislators, but some key members are excluded.
c. Yes, the executive holds very limited consultations, involving only a few members of the legislature.
d. No, the executive does not typically consult with members of the legislature as part of the budget preparation process.
e. Not applicable/other (please comment).

Citation and/or comment:

The researcher marked the answer as “a.” 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” This question refers to “consultations” that the executive initiates in order to prepare its priorities, and not to the LDO. Since informal consultations typically would not be known, the reference is to organized, public, processes of idea-swapping with the legislature. This does not occur.

IBP Comment: IBP editors chose answer “a” to maintain the consistency of the assumptions used in selecting answers across the countries. In Brazil, the LDO is required by law to be passed by Congress. As such, the LDO, which lays down the priorities of the government, is discussed by the Congress before they enact it and this satisfies the conditions for answering this question “a.”
<table>
<thead>
<tr>
<th>71.</th>
<th>Does the executive hold consultations with the public as part of its process of determining budget priorities?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, the executive holds extensive consultations with a wide range of constituencies.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, the executive holds consultations with a range of constituencies, but some key constituencies are excluded.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, the executive holds very limited consultations, involving only a few constituencies.</td>
</tr>
<tr>
<td>d.</td>
<td>No, the executive does not typically consult with the public as part of the budget preparation process.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment:

The researcher marked the answer as “c.” There is no public consultation process regarding the budget. There are boards and conferences, such as the national health conference (Conferência Nacional de Saúde), which sets priorities and actions relating to the budget, but nothing along the lines of a participatory budget.

Peer Reviewer ONE Comment: There are consultations involving some national councils (social and economic development, health, cities, nutritional safety, etc.).

Peer Reviewer TWO Comment: A more appropriate response to this question would be “d.” The executive holds limited consultancies with business and some “friendly” counterparts that somehow gain access to the Planning Ministry’s ears. Such exchanges are a far cry from constituting an open and public process.

IBP Comment: IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.
72. When does the executive release a pre-budget statement to the public?

   a. The executive releases a pre-budget statement at least four months in advance of the start of the budget year.
   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.
   c. The executive releases a pre-budget statement, but it is released less than two months before the start of the budget year.
   d. The executive does not release a pre-budget statement.
   e. Not applicable/other (please comment).

Citation and/or comment:

The researcher marked the answer as “a.” The LDO is discussed during the first semester. It is made public on the 15th of April, and is before Congress during the rest of the semester. Congress cannot adjourn without voting on it (in Brazil, Congress adjourns in July).

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “d” or perhaps “e”, according to the interpretation given to “pre-budget statement.” In the sense spelled out in the guidelines, perhaps it should be “e.”

IBP Comment: IBP editors chose answer “a” to maintain the consistency of the assumptions used in selecting answers across the countries. In our discussions with the researcher, we were informed that the LDO presents a fiscal envelope that lays down broad parameters for the subsequent discussion and creation of sectoral budgets and thereby can be used as a pre-budget statement. Unlike in most countries, in Brazil the pre-budget statement (the LDO) is passed by the legislature and is a legally binding document.
73. Does the pre-budget statement describe the government’s macroeconomic and fiscal framework?

   a. Yes, an extensive explanation of the government’s fiscal and macroeconomic policy is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key aspects of the fiscal and macroeconomic framework, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.
   e. Not applicable/other (please comment).

Citation and/or comment:

The researcher marked the answer as “a.” The 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: See the previous comment on pre-budget statement. It should be “d” or “e.”

IBP Comment: IBP editors chose answer “a” to maintain the consistency of the assumptions used in selecting answers across the countries. See comments in question 72.

74. Does the pre-budget statement describe the government’s policies and priorities that will guide the development of detailed estimates for the upcoming budget?

   a. Yes, an extensive explanation of the government’s budget policies and priorities is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key aspects of the government’s budget policies and priorities, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or the executive does not release to the public a pre-budget statement.
   e. Not applicable/other (please comment).

Citation and/or comment:

The researcher marked the answer as “a.” Please see the “Goals and Priorities” appendix to the LDO at:


Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: See the previous comment on pre-budget statement. It should be “d” or “e.”

IBP Comment: IBP editors chose answer “a” to maintain the consistency of the assumptions used in selecting answers across the countries. See comments in question 72.
<table>
<thead>
<tr>
<th><strong>Legislative Approval of the Budget</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>75. How far in advance of the start of the budget year does the legislature receive the budget?</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>The legislature receives the budget at least three months before the start of the budget year.</td>
</tr>
<tr>
<td>b.</td>
<td>The legislature receives the budget at least six weeks, but less than three months, before the start of the budget year.</td>
</tr>
<tr>
<td>c.</td>
<td>The legislature receives the budget less than six weeks before the start of the budget year.</td>
</tr>
<tr>
<td>d.</td>
<td>The legislature does not receive the budget before the start of the budget year.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment: The legislature receives the draft budget 4 months in advance.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
76. 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?

<table>
<thead>
<tr>
<th>Option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>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.</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, hearings are held in which testimony is heard from the executive branch and some constituencies.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, hearings are held in which testimony from the executive branch is heard, but no testimony from the public is heard.</td>
</tr>
<tr>
<td>d.</td>
<td>No, public hearings are not held on the macroeconomic and fiscal framework in which testimony from the executive branch and the public is heard.</td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

Citation and/or comment:

The researcher’s response to this question was “c.” The joint budget committee (Comissão Mista de Orçamento), comprising of members of the upper and lower houses, holds hearings with members of the executive as described in point “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.

**Peer Reviewer ONE Comment:** A more appropriate response to this question would be “b” because every year there are hearings on the macroeconomic and fiscal framework organized by the Comissão Mista do Orçamento, although most of them are restricted to some experts and financial analysts (i.e., some constituencies, as stated in option “b”).

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “b.” Hearings do occur, but limitedly. In some areas (such as Health), pressure groups state their views at large, but being taken into consideration is another matter.

**IBP Comment:** IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries.
77. 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?

   a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the executive branch is heard.
   b. Yes, hearings are held, covering key administrative units, in which testimony from the executive branch is heard.
   c. Yes, a limited number of hearings are held in which testimony from the executive branch is heard.
   d. No, public hearings are not held on the budgets of administrative units in which testimony from the executive branch is heard.
   e. Not applicable/other (please comment).

Citation and/or comment: Hearings are held with the National Treasury and Federal Budget Secretaries and with the minister of planning. The Joint Budget Committee has powers to summon other ministers and secretaries to provide clarification.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

78. 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?

   a. Yes, extensive public hearings are held on the budgets of administrative units in which testimony from the public is heard.
   b. Yes, hearings are held, covering key administrative units, in which testimony from the public is heard.
   c. Yes, a limited number of hearings are held in which testimony from the public is heard.
   d. No, public hearings are not held on the budgets of administrative units in which testimony from the public is heard.
   e. Not applicable/other (please comment).

Citation and/or comment:

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
79. Do the legislative committees that hold public hearings release reports to the public on these hearings?

<p>| | | |</p>
<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>Yes, the committees release very informative reports, which include all written testimony presented at the hearings.</td>
<td>c</td>
</tr>
<tr>
<td>b.</td>
<td>Yes, the committees release reports, but some details are excluded.</td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>Yes, the committees release reports, but they are not very informative.</td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>No, the committees do not release reports or do not hold public hearings.</td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment: Shorthand notes on the hearings can be requested from Congress. The reports that are made public are by sector; for example, State and Representative Power, involving the following powers and agencies: Legislative Power, Judiciary, Public Attorney’s Office, Presidency of the Republic, Foreign Ministry.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment: 

80. Does the executive present more details or provide a better explanation of any budget proposal, if members of the legislature (including from minority parties) request such information?

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>The executive responds to such legislative requests, and it generally provides an appropriate and timely response.</td>
<td>a</td>
</tr>
<tr>
<td>b.</td>
<td>The executive responds to such legislative requests, but its responses are sometimes not appropriate or timely.</td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td>The executive responds to such legislative requests, but its responses are typically not appropriate or timely.</td>
<td></td>
</tr>
<tr>
<td>d.</td>
<td>The executive responds selectively or ignores such legislative requests.</td>
<td></td>
</tr>
<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
<td></td>
</tr>
</tbody>
</table>

Citation and/or comment: The LDO already comprises of 28 spreadsheets providing information requested by the legislative, but it is not difficult to obtain information. Access to the integrated information system (SIAFI) makes it easier to find.

Peer Reviewer ONE Comment: 

Peer Reviewer TWO Comment: 


81. Is the legislature (or the appropriate legislative committee) given information for the budget year on the spending of secret items relating to, for instance, national security and military intelligence?

   a. Yes, the legislature is provided extensive information on all spending on secret items.
   b. Yes, the legislature is provided information on spending on secret items, but some details are excluded.
   c. Yes, the legislature is provided some information on spending on secret items, but it lacks important details.
   d. No, the legislature is provided no information on secret items.
   e. Not applicable/other (please comment).

   Citation and/or comment: The Constitution empowers the legislative to request comprehensive information on almost all items.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

82. Does the legislature have authority to amend the budget presented by the executive?

   a. Yes, the legislature has unlimited authority to amend the budget.
   b. Yes, the legislature has authority to amend the budget, with some limitations.
   c. Yes, the legislature has authority to amend the budget, but its authority is very limited.
   d. No, the legislature does not have any authority to amend the budget.
   e. Not applicable/other (please comment).

   Citation and/or comment: 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.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
### Executive’s Implementation of the Budget

83. What is the most detail provided in the appropriation (expenditure budget) approved by the legislature?

- a. The approved budget includes program-level detail.
- b. The approved budget includes departmental totals and some additional details (for instance, sub-department totals or major programs).
- c. The approved budget includes only departmental totals.
- d. The approved budget includes less information than departmental totals.
- e. Not applicable/other (please comment).

Citation and/or comment: The budget is detailed by agency/ budget unit/ function/ sub-function/ program/ action, etc.

#### Peer Reviewer ONE Comment:

#### Peer Reviewer TWO Comment:

84. How often does the executive release to the public in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?

- a. In-year reports on actual expenditure are released at least every month.
- b. In-year reports on actual expenditure are released at least every quarter.
- c. In-year reports on actual expenditure are released at least semi-annually.
- d. In-year reports on actual expenditure are not released.
- e. Not applicable/other (please comment).

Citation and/or comment: 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 database, updated monthly and sometimes biweekly, permits the public to observe budget execution in highly disaggregated terms. In the case of the legislative data, the great difficulty is the necessary technical knowledge on budget classification.

#### Peer Reviewer ONE Comment:

#### Peer Reviewer TWO Comment:
85. What share of expenditure is covered by in-year reports on actual expenditure (organized by administrative unit, economic classification and/or function)?

   a. Yes, in-year reports cover all expenditures.
   b. Yes, in-year reports cover at least two-thirds, but not all, of expenditures.
   c. Yes, in-year reports cover less than two-thirds of expenditures.
   d. No in-year reports are released to the public.
   e. Not applicable/other (please comment).

Citation and/or comment: All expenditures, including public debt and debt rescheduling, are included in the budget and are publicized in the various existing reports and systems.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

86. 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?

   a. Yes, comparisons are made for all expenditures.
   b. Yes, comparisons are made for at least two-thirds, but not all, of expenditures.
   c. Yes, but comparisons are made for less than two-thirds of expenditures.
   d. No, comparisons are not made, or no in-year reports are released to the public.
   e. Not applicable/other (please comment).

Citation and/or comment: Under the Fiscal Responsibility Law (*Lei Complementar No. 101/2000*), the government must submit a bi-monthly report on the state of the budget. As more than 90% of its expenditures are compulsory, that meets the conditions of option "b." However, the compulsory spending is in financial terms; in project terms, the level is a lot less, because debt, social insurance, payroll, and transfers to states and municipalities account for more than two-thirds of the budget, and are non-discretionary.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** The researcher’s comment is very important. The evolution of discretionary expenditures (which include all investment) may not be released.
87. How often does the executive release to the public in-year reports on actual revenue collections by source of revenue?

   a. In-year reports on actual revenue collections by source of revenue are released at least every month.
   b. In-year reports on actual revenue collections are released at least every quarter.
   c. In-year reports on actual revenue collections are released at least semi-annually.
   d. In-year reports on actual revenue collections by source of revenue are not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: 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 Agency.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

88. What share of revenue is covered by the in-year reports on actual revenue collections?

   a. In-year reports cover the actual revenue collections of all sources of revenue.
   b. In-year reports cover the actual revenue collections of at least two-thirds of, but not all, sources of revenue.
   c. In-year reports cover actual revenue collections of less than two-thirds of revenue sources.
   d. In-year reports on actual revenue collections are not released to the public.
   e. Not applicable/other (please comment).

   Citation and/or comment: See previous item. Note that these are the revenues of the fiscal and social security budgets, and exclude revenues from state enterprises.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
89. 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?

- a. Yes, comparisons are made for all revenue sources.
- b. Yes, comparisons are made for at least two-thirds of, but not all, revenue sources.
- c. Yes, but comparisons are made for less than two-thirds of revenue sources.
- d. No, comparisons are not made, or no in-year reports are released to the public.
- e. Not applicable/other (please comment).

*Citation and/or comment:* 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.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>90. Does the executive release to the public in-year reports on actual borrowing?</th>
</tr>
</thead>
<tbody>
<tr>
<td>- a. Yes, in-year reports on actual borrowing are released at least every month.</td>
</tr>
<tr>
<td>- b. Yes, in-year reports on actual borrowing are released at least every quarter.</td>
</tr>
<tr>
<td>- c. Yes, in-year reports on actual borrowing are released at least semi-annually.</td>
</tr>
<tr>
<td>- d. No, in-year reports on actual borrowing are not released.</td>
</tr>
<tr>
<td>- e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

*Citation and/or comment:* The National Treasury Secretariat publishes a report on indebtedness and the Central Bank issues a note to the press.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>91. 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?</th>
</tr>
</thead>
<tbody>
<tr>
<td>- a. Yes, extensive information related to the composition of government debt is presented.</td>
</tr>
<tr>
<td>- b. Yes, key additional information is presented, but some details are excluded.</td>
</tr>
<tr>
<td>- c. Yes, some additional information is presented, but it lacks important details.</td>
</tr>
<tr>
<td>- d. No, additional information related to the composition of government debt is not presented, or such in-year reports on borrowing are not released.</td>
</tr>
<tr>
<td>- e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>


**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
92. 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)?

   a. Reports are released 1 month or less after the end of the period.
   b. Reports are released 2 months or less (but more than 1 month) after the end of the period.
   c. Reports are released more than 2 months after the end of the period.
   d. In-year reports are not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: The integrated financial administration information system (SIAFI) enables information to be produced with only a small lag between the production of the information and the release of the report.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

93. 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?

   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.
   b. Yes, the mid-year review includes a discussion of the economy, but it lacks some details.
   c. Yes, the mid-year review includes a discussion of the economy, but it lacks important details.
   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.
   e. Not applicable/other (please comment).

   Citation and/or comment: The joint Congressional Budget Committee’s 3rd bi-monthly report is a report on the semester, but it is not highly detailed. In keeping with the instructions in the guide to the questionnaire, we have marked “d” on this question, but we believe that the situation is closer to answer “b.” We follow the same process in all subsequent questions that deal with the mid year report.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
<table>
<thead>
<tr>
<th>94. Does the executive release to the public a mid-year review of the budget that includes updated expenditure estimates for the budget year underway?</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
<tr>
<td>b. Yes, the mid-year review includes updated estimates of expenditure, but some details on why estimates have changed are not provided.</td>
</tr>
<tr>
<td>c. Yes, the mid-year review includes updated estimates of expenditure, but important details on why estimates have changed are not provided.</td>
</tr>
<tr>
<td>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.</td>
</tr>
<tr>
<td>e. Not applicable/other (please comment).</td>
</tr>
</tbody>
</table>

**Citation and/or comment:** See comment to question 93.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

<table>
<thead>
<tr>
<th>95. What is the most detail provided in the mid-year review for expenditures?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. The mid-year review includes program-level detail for expenditures.</td>
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<td>b. The mid-year review includes departmental totals (or functional totals) and some additional details (for instance, sub-department totals or major programs).</td>
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<td>c. The mid-year review includes only departmental totals (or functional totals).</td>
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<tr>
<td>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.</td>
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<td>e. Not applicable/other (please comment).</td>
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**Citation and/or comment:** See comment to question 93.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
96. Does the executive release to the public a mid-year review of the budget that includes updated revenue estimates for the budget year underway?

   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.
   b. Yes, the mid-year review includes updated estimates of revenue, but some details on why estimates have changed are not provided.
   c. Yes, the mid-year review includes updated estimates of revenue, but important details on why estimates have changed are not provided.
   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.
   e. Not applicable/other (please comment).

   Citation and/or comment: See comment to question 93.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**

97. Does the executive seek input from the legislature when the executive shifts funds between administrative units (except when the amounts are below a certain level, as specified in law or regulation)?

   a. Yes, the executive seeks approval from the legislature before shifting funds between administrative units.
   b. Yes, the executive advises the legislature before shifting funds, giving the legislature an opportunity to block or modify the proposed adjustment.
   c. Yes, the executive seeks legislative approval, but only after the shift of funds has been implemented.
   d. No, the executive shifts funds between administrative units without seeking input from the legislature.
   e. Not applicable/other (please comment).

   Citation and/or comment: 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.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
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?

a. There were no credible reported instances of procurement failing to follow an open and competitive process in practice during the past year.
b. The procurement of goods and services frequently followed an open and competitive process in practice, but there were some reported instances of irregularities.
c. The procurement of goods and service followed an open and competitive process in many instances, but there were significant reported examples of irregularities.
d. No, the procurement process was not open and competitive in practice.
e. Not applicable/other (please comment).

Citation and/or comment:
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 public procurement process related to the use of corporate credit cards, which permit direct purchases for smaller amounts. The law does allow this process to be waived, but there are a series of criteria to be met.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: The issue of public procurement is quite complicated (in any country), and cannot possibly be fairly addressed in one single question. Also, the question is not too clear. What is meant by “reported examples of irregularities?” Would this mean instances where irregularities were subjected to judiciary proceedings? Or charges published by the press? Would “significant” refer to financial amounts involved, project impact, quantity of complaints an entity is subjected to, or all of these together? Anyway, taking all this as vague, I would also vaguely prefer option “c,” as indicated.

Please observe that it is the opinion of this reviewer that the Brazilian public procurement regulation (Federal Law 8666/93) is one of the best-designed in the world, fulfilling all requirements for openness, publicity, full exhibition of decisions, full right to contest and so on. It is also procedural, that is it explicitly lays out all steps a public agent must follow in order to conduct a tender.

Nevertheless, there is one grave problem affecting public procurement in Brazil, and it has very little to do with the regulations, but with market failure. Many economic agents participating in public tenders fail (or are perceived as failing) to act according to their best interest, and avoid contesting tenders that show signs of being biased. As a result, cartels (regional, or agency-specific, or object-specific) tend to control some public markets, with ensuing diseconomies.
99. 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 and/or comment: The LRF allows for three forms of supplementary budget appropriations during the year:

a. supplementary budget appropriations, which can be enacted through presidential decree during the fiscal year, provided that the proposed increase in expenditure does not exceed a certain percentage approved in the LOA—above this limit, the legislation requires the supplementary budget proposal to be approved by congress;

b. special budget appropriations, approved by congress, for new expenditures which are not included in the budget; and

c. extraordinary budget appropriations, which may be enacted by a provisional measure and then approved by congress, for unforeseen and urgent expenditures.

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 reflect a small portion of what is actually requested by the agencies; the requests are for unimaginable amounts. Actually, additional funding 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 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 supplemental budgets 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 supplemental budgets begins almost at the same time as the government publishes the Contingency Decree (Decreto de Contingenciamento). In addition to this problem, when the supplemental budgets are approved and the corresponding funds are not pledged in the course of the year, the government can renew the funds, which creates complications for budget execution of the expenditures scheduled for the year. The choice of option (c) and the remarks made do not invalidate the assertions made in ROSC or CFAA.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
100. In most years, how large are supplemental budget requests relative to the size of the original budget?

   a. Supplemental budgets are generally equal to 2 percent or less of the original budget.
   b. Supplemental budgets are generally equal to more than 2 percent, but less than 5 percent, of the original budget.
   c. Supplemental budget are generally equal to more than 5 percent, but less than 10 percent, of the original budget.
   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.
   e. Not applicable/other (please comment).

   Citation and/or comment: It has to be remembered that when the supplementary budget proposal is before Congress, it is very often influenced by members’ local constituents’ interests. When that happens, the executive usually does not execute that kind of alteration.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

101. When does the legislature approve the expenditure of contingency funds or other funds for which no specific purpose was identified in the budget?

   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.
   b. Expenditures are approved after the funds are expended, but before the end of the fiscal year.
   c. Expenditures are approved after the end of the fiscal year, for example in the next budget.
   d. Such expenditure takes place without legislative approval.
   e. Not applicable/other (please comment).

   Citation and/or comment: 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
102. How long after the end of the budget year does the executive release to the public a year-end report or another document that discusses the budget’s actual outcome for the year?

   a. Reports are released six months or less after the end of the fiscal year.
   b. Reports are released 12 months or less (but more than six months) after the end of the fiscal year.
   c. Reports are released more than 12 months after the end of the fiscal year.
   d. The executive does not release a year-end report.
   e. Not applicable/other (please comment).

Citation and/or comment: 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 the Legislature for a vote.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
In the year-end report, or another document released to the public by the executive (please specify below), have the data on the actual outcomes been audited?

a. Yes, all data on actual outcomes have been audited.
b. At least two-thirds, but not all, of the data on actual outcomes have been audited.
c. Less than two-thirds of the data on actual outcomes have been audited.
d. None of the data on actual outcomes has been audited, or a year-end report is not released.
e. Not applicable/other (please comment).

Citation and/or comment:

The researcher’s response to this question was “c.” The overall balance sheet (Balanco Geral da Uniao) is not audited in terms of program execution. The Controller-General’s Office (Controladoria Geral da Uniao) audits Programs randomly or when it receives complaints. There is no way of knowing in advance what percentage of budget execution figures will be audited.

Peer Reviewer ONE Comment: A more appropriate response to this question would be “a,” because the audit agency (Tribunal de Contas da Uniao) examines the budget execution and provides a general evaluation to it, establishing levels of satisfactory or unsatisfactory performance to all governmental programs, based on the actual outcomes.

Peer Reviewer TWO Comment: A more appropriate response to this question would be “a.” The Supreme Audit Institution (Federal Court of Audit, as referred to by the researcher) examines the executive’s accounts. It communicates to Congress, which then votes on the accounts’ approval. Therefore, a better answer would be “a.” However, it must be stressed that much revolves around the depth of auditing. In-depth auditing of a full year’s activity is not possible in as a short time as required by the regulations.

On the other hand, the Supreme Audit Institution has been increasingly active in supervising government initiatives along the year. See: http://www2.tcu.gov.br/portal/page?_pageid=33,2484805&_dad=portal&_schema=PORTAL

IBP Comment: IBP editors chose answer “a” to maintain the consistency of the assumptions used in selecting answers across the countries.
104. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: This is a document describing government actions in minute detail, by agency, financing agency, external funding, etc.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

105. 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, or another document released to the public by the executive (please specify below)?

   a. The explanation of the differences between the enacted expenditure levels and the actual outcome focuses on the program level.
   b. The explanation focuses on departmental totals (or functional totals) or some lower level of detail (but not the program level in all cases).
   c. The explanation focuses on a higher level of aggregation than departmental totals (or functional totals).
   d. No explanation of the differences is provided, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: There is a descriptive report by agency and program.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
106. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: Chapter II deals with the execution of the overall federal budget (Orçamento Geral da União) and the budget, financial, asset and asset variation statements.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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107. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: Chapter IV deals with the economic and financial policy and the performance of government economic departments.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

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108. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original estimates of non-financial data and the actual outcome?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: There is a descriptive report designed to compare the non-financial situation, but the treatment varies from agency to agency.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:

109. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the original performance indicators and the actual outcome?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

   Citation and/or comment: The treatment varies from agency to agency, and there are programs that do not construct performance indicators; for example, the Integrated Amazon Protection Information Program (Programa de Informações Integradas para Proteção da Amazônia).

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment:
110. Does the year-end report, or another document released to the public by the executive (please specify below), explain the difference between the enacted level of funds intended to benefit directly the country’s most impoverished populations and the actual outcome?

   a. Yes, an extensive explanation of the differences is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, an explanation is presented, highlighting key differences, but some details are excluded.
   c. Yes, some explanation is presented, but it lacks important details.
   d. No, an explanation is not presented, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: A “Fund” (Fundo) is a budgetary unit (Unidade Orçamentária), which discriminates expenditures by “program” and “action.” The social development ministry (Ministério do Desenvolvimento Social) website contains detailed information on these programs.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:

111. Does the year-end report, or another document released to the public by the executive (please specify below), present the actual outcome for extra-budgetary funds?

   a. Yes, extensive information on the actual outcome for extra-budgetary funds is presented, including both a narrative discussion and quantitative estimates.
   b. Yes, information is presented, highlighting key issues, but some details are excluded.
   c. Yes, some information is presented, but it lacks important details.
   d. No, information is not presented on extra-budgetary funds, or such a report is not released.
   e. Not applicable/other (please comment).

Citation and/or comment: There are reports for funds such as the length-of-service fund (FGTS), but the executive does not publish figures on pension funds.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
112. How long after the end of the fiscal year are the final expenditures of national departments audited and (except for secret programs) released to the public?

   a. Final audited accounts are released to the public six months or less after the end of the fiscal year.
   b. Final audited accounts are released 12 months or less (but more than six months) after the end of the fiscal year.
   c. Final audit accounts are released more than 12 months, but within 24 months of the end of the fiscal year.
   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.
   e. Not applicable/other (please comment).

   Citation and/or comment: The executive has to submit the accounts to Congress by April 18.

   Peer Reviewer ONE Comment:

   Peer Reviewer TWO Comment: The SAI’s report obeys similarly strict timetables.

113. Two years after the completion of a fiscal year, what percentage of expenditure has been audited and (except for secret programs) the reports released to the public?

   a. All expenditures have been audited and the reports released to the public.
   b. Expenditures representing at least two-thirds of, but not all, expenditure have been audited.
   c. Expenditure representing less than two-thirds of expenditure have been audited.
   d. No expenditures have been audited, or the reports have not been released to the public.
   e. Not applicable/other (please comment).

   Citation and/or comment: A large proportion of government programs are audited, however, quantifying in as 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.

   Peer Reviewer ONE Comment: The “b” answer here has to do with the absence of reports released for all programs.

   Peer Reviewer TWO Comment:
114. Do year-end audit reports of departmental expenditure that are released to the public include an executive summary?

   a. All of these audit reports include an executive summary.  
   b. Most of these reports include an executive summary.  
   c. Some of these reports include an executive summary.  
   d. None of these audit reports include an executive summary, or such reports are not released to the public.  
   e. Not applicable/other (please comment).

   Citation and/or comment: The situation differs department by department.

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:** Mostly because it would be risky to say that “most” reports include a substantial executive summary.

115. 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?

   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.  
   b. No, the executive may remove the head of the SAI without the final consent of the judiciary or legislature.  
   c. Not applicable/other (please comment).

   Citation and/or comment:

   **Peer Reviewer ONE Comment:**

   **Peer Reviewer TWO Comment:**
116. Does the Supreme Audit Institution release to the public audits of extra-budgetary funds?

a. Yes, the SAI releases to the public audits of all extra-budgetary funds.
b. Yes, the SAI releases audits representing at least two-thirds of, but not all, extra-budgetary funds.
c. Yes, the SAI releases audits representing less than two-thirds of all extra-budgetary funds.
d. No, the SAI does not release to the public audits of extra-budgetary funds, or it does not audit such funds.
e. Not applicable/other (please comment).

**Citation and/or comment:**

*The researcher marked the answer as “b.”* There are reports on funds such as the length-of-service fund (FGTS), but the executive does not publish figures on pension funds.

**Researcher Response to Peer Reviewer:** The Length of Service Retirement Fund (*Fundo de Garantia por Tempo de Serviço*-- FGTS) is an extra budgetary fund, which is audited by the SAI.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** A more appropriate response to this question would be “e.” Here the researcher was mistaken on two counts. First, because the executive has no extra-budgetary funds that it can tap into. Second (in the comment) because the question is aimed at the SAI, and not the executive.

**IBP Comment:** IBP editors chose answer “b” to maintain the consistency of the assumptions used in selecting answers across the countries.

117. Beyond the established year-end attestation audits, does the Supreme Audit Institution (SAI) have discretion in law to undertake those audits it may wish to?

a. The SAI has full discretion to decide which audits it wishes to undertake.
b. The SAI has significant discretion, but faces some limitations.
c. The SAI has some discretion, but faces considerable limitations.
d. The SAI has no discretion to decide which audits it wishes to undertake.
e. Not applicable/other (please comment).

**Citation and/or comment:** The limitations relate more to the lack of technically trained staff and other resources sufficient to carry out audits in a country as large as Brazil.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**
118. Who determines the budget of the Supreme Audit Institution?

a. 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.
b. 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.
c. 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.
d. 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.
e. Not applicable/other (please comment).

Citation and/or comment:

The researcher’s response to this question was “d.” The Federal Controller-General’s Office (Ministro da Controladoria Geral da União, CGU) was established in 2001, and has had 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.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment: A more appropriate response to this question would be “c.” The SAI’s budget is approved by the legislature (even if negotiating with the executive). In Brazil, no funds whatsoever are “consistent with needed resources.”

IBP Comment: IBP editors chose answer “c” to maintain the consistency of the assumptions used in selecting answers across the countries.

119. Does a committee of the legislature view and scrutinize the audit reports?

a. Yes, all audit reports are scrutinized.
b. Yes, most audit reports are scrutinized.
c. Yes, some audit reports are scrutinized.
d. No, audit reports are not scrutinized.
e. Not applicable/other (please comment).

Citation and/or comment: The Federal Court of Audit (Tribunal de Contas da União), an agency attached to the legislative performs this task.

Peer Reviewer ONE Comment:

Peer Reviewer TWO Comment:
120. 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?

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<tr>
<td>a.</td>
<td>Yes, the executive reports publicly on what steps it has taken to address audit findings.</td>
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<tr>
<td>b.</td>
<td>Yes, the executive reports publicly on most audit findings.</td>
</tr>
<tr>
<td>c.</td>
<td>Yes, the executive reports publicly on some audit findings.</td>
</tr>
<tr>
<td>d.</td>
<td>No, the executive does not report on steps it has taken to address audit findings.</td>
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<tr>
<td>e.</td>
<td>Not applicable/other (please comment).</td>
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Citation and/or comment: The audit reports are submitted to Congress for approval. However, these reports go for years without being examined; there is thus no call for the executive to provide information.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**

121. 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?

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<tr>
<td>a.</td>
<td>Yes, a comprehensive report is released regularly that tracks actions taken by the executive to address audit recommendations.</td>
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<tr>
<td>b.</td>
<td>Yes, a report is released, covering key audit recommendations, but some details are excluded.</td>
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<tr>
<td>c.</td>
<td>Yes, a report is released, but it lacks important details.</td>
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<tr>
<td>d.</td>
<td>No, a report is not produced or it is prepared for internal purposes only (please specify).</td>
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<td>e.</td>
<td>Not applicable/other (please comment).</td>
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Citation and/or comment:

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:** The SAI does publicly recommend corrective actions, both aimed at specific programs and to the accounts as a whole. Refer to [www.tcu.gov.br](http://www.tcu.gov.br)
122. Are audit reports related to national security and other secret programs provided to the legislature (or relevant committee)?

- a. Yes, legislators are provided with detailed audit reports related to national security and other secret programs.
- b. Yes, legislators are provided audit reports on secret items, but some details are excluded.
- c. Yes, legislators are provided audit reports on secret items, but they lack important details.
- d. No, legislators are not provided audit reports on secret items, or secret programs are not audited (please specify).
- e. Not applicable/other (please comment).

Citation and/or comment: Legislators are not provided audit reports on secret items.

**Peer Reviewer ONE Comment:**

**Peer Reviewer TWO Comment:**