



# HIGHLIGHTS

Actions and Programmes of the Federal Government of Brazil

JULY/AUGUST, 2009



# HIGHLIGHTS

JULY/AUGUST, 2009



Highlights Review, Year II, N° 3, July/August 2009.

Published by the Secretariat for Social Communication of the Office of the President of the Republic of Brazil.

Electronic version available on the sites [www.brasil.gov.br](http://www.brasil.gov.br) and [www.presidencia.gov.br](http://www.presidencia.gov.br).

Office of the President of the Republic of Brazil. The purpose of this publication is to provide information and service. All rights reserved.

Information contained in this publication may be reproduced if the source is acknowledged. Its content cannot be altered.

Information published here without an acknowledged source has been obtained directly from ministries and institutions of the Federal Administration. Information from other sources has been obtained from the sources quoted.

Published 15th July, 2009.

Contact: [destaques.secom@planalto.gov.br](mailto:destaques.secom@planalto.gov.br)

Next editions in 2009

16th September – 18th November

**Catalogue details in the Library of the Office of the President of the Republic of Brazil**

B736

Brazil. Office of the President of the Republic of Brazil. Secretariat for Social Communication.

Highlights: actions and programmes of the Federal Government/Secretariat for Social Communication - Brasilia, 2009

76 p.

1. Programme of the Federal Government. 2. Politics I. Title.

# INTRODUCTION



In our third bimonthly edition in 2009, *Highlights* brings you news of the measures announced in June to stimulate production and consumption and speed up Brazil's recovery from the international crisis (see pages 18, 44 and 66).

Also in this edition are items on the G-5 and G-8 summit meeting (page 8), the country's commitment to improve the working conditions in the sugar-cane fields (page 51), the signs of improvements in the employment figures (page 46) and the President of the Republic of Brazil's speech at the African Union (page 59).

You will also find updates on foreign policy, energy and democracy, as well as the most important economic and social statistics (from page 3). You can also follow the progress of various federal programmes like the PAC – the Accelerated Development Programme and the PDE – the Educational Development Plan (from page 12).

As with previous editions, the *Highlights* team invites readers to contribute criticisms and suggestions via e-mail.

Enjoy your Highlights!

**The Highlights Team**  
**[destaques.secom@planalto.gov.br](mailto:destaques.secom@planalto.gov.br)**

# MESSAGE TO OUR READERS

Highlights Review offers the reader information about the main actions and programmes of the Federal Government updated every two months.

Each edition deals with important social and sectoral topics at the time of publication, as well as the main achievements in each area, thus giving both a general and a detailed view of the major items on the national agenda.

The note at the foot of each page indicates when the information was last updated.

## **STRUCTURE OF THE REVIEW**

- **Part I – Brazil Today**: an updated picture of five strategic areas of Government action: society, the economy, energy, foreign policy and democracy.
- **Part II – Programmes and Topics concerning Sectoral Interests**: deals with public policies in progress. Articles in each edition deal with a topic relevant to each programme and, in the box at the end of each page, give a brief evaluation, showing an Internet link giving access to more information.
- **Part III – Updates**: focuses on the social topics, Government actions and interventions during the previous two months.
- **Part IV – Library of Articles, Lectures and Research Studies**: a section devoted to summarising research on conditions in Brazil, selected statements by the President of the Republic of Brazil, and articles.
- **Abbreviations**: A list of the abbreviations used in this edition.

## **THE INTERNET: [www.presidencia.gov.br](http://www.presidencia.gov.br) or [www.brasil.gov.br](http://www.brasil.gov.br)**

- It is possible to obtain the file of this and previous editions, and versions in English, Spanish and Portuguese.
- Update of the Economic Picture: latest figures on the economy.
- Report of National Councils created and consolidated since 2003, and the national conferences held during that period.
- Glossary of technical terms.
- Table of contents: a complete list of topics that have appeared in this Review since the first edition (March/08).

The Highlights Team  
[destaques.secom@planalto.gov.br](mailto:destaques.secom@planalto.gov.br)

# TABLE OF CONTENTS

## 1 – Brazil Today

|                                |   |
|--------------------------------|---|
| A Picture of Society .....     | 3 |
| A Picture of the Economy ..... | 4 |
| Energy .....                   | 6 |
| Foreign Policy .....           | 8 |
| Democracy.....                 | 9 |

## 2 – Sectoral Programmes and Themes

|  |    |
|--|----|
| Agriculture and Stockbreeding .....      | 12 |
| Sustainable Amazon .....                 | 13 |
| Family Cash Transfer .....               | 14 |
| Science, Technology and Innovation ..... | 15 |
| Children and Adolescents .....           | 16 |
| Culture .....                            | 17 |
| Productive Development – PDP .....       | 18 |
| Civil Documentation .....                | 19 |
| Education – PDE.....                     | 20 |
| Sport .....                              | 22 |
| Housing .....                            | 23 |
| Youth – Projovem.....                    | 24 |
| More Food.....                           | 25 |
| The Environment.....                     | 26 |
| Women .....                              | 27 |
| PAC – Accelerated Growth .....           | 28 |
| Fishing and Aquaculture .....            | 30 |
| Agricultural Research .....              | 31 |
| Persons with Disabilities .....          | 32 |
| Indigenous Peoples .....                 | 33 |
| Social Security.....                     | 34 |
| Quilombolas .....                        | 35 |
| Agrarian Reform .....                    | 36 |
| Public Safety – Pronasci.....            | 37 |
| Indigenous Health – Funasa .....         | 38 |
| Health.....                              | 39 |
| Territories for Citizenship .....        | 40 |
| Tourism.....                             | 41 |

## 3 – Updates

|  |    |
|--|----|
| Brazil and the Financial Crisis .....      | 44 |
| Credit .....                               | 45 |
| Employment .....                           | 46 |
| Exports .....                              | 48 |
| Influenza A (H1N1) .....                   | 49 |
| Zero Hunger – Cisterns .....               | 50 |
| Sugar-cane Sector Agreement.....           | 51 |
| Relationship with the States .....         | 52 |
| Relationship with the Municipalities ..... | 53 |
| Public Management.....                     | 54 |

## 4 – Library: Artides, Lectures and Research Studies

|  |    |
|--|----|
| The President at the African Union ..... | 59 |
| Oil in Brazil .....                      | 63 |
| Metropolitan Poverty .....               | 64 |
| A Picture of Society – Comparative ..... | 65 |
| Stimulating Production.....              | 66 |

|                            |    |
|----------------------------|----|
| <b>Abbreviations</b> ..... | 72 |
|----------------------------|----|

Electronic version:



**[www.presidencia.gov.br](http://www.presidencia.gov.br)** or **[www.brasil.gov.br](http://www.brasil.gov.br)**

To receive HIGHLIGHTS by e-mail, send a message to:

**[destaques.secom@planalto.gov.br](mailto:destaques.secom@planalto.gov.br)** with the word "incluir" in the Subject Field.

## **Passages from speeches by the President of the Republic of Brazil**

"Brazil has never been in such a strong position to confront a crisis like the one we are facing now. We have taken all the measures we had to, and shall take as many measures as are necessary for Brazil to come out of the crisis in a stronger position than when it entered it. We had a problem with credit and everyone knows that it is being solved. We have a problem with a higher than normal banking 'spread' and we are going to solve that. But what we really want to do it recover this country's productive capacity and create the jobs we need to ensure that democracy grows even stronger... this country cannot turn back. Brazil has learned to have self-esteem, Brazil has learned to be great - and when you have learned to have self-esteem and to be great, you do not turn back."

### **Inauguration ceremony of the new graphic industry complex belonging to the RBS Group. Porto Alegre (RS), 26th June, 2009.**

"The reform of international institutions most active in decision-making in developing countries is vital to guarantee more fair and efficient government. What is most important is to ensure that the dignity of human beings is always at the centre of the attention and concerns of the international community. I am sure that with this focus it will be much easier to promote a culture of respect for human rights in everyone."

### **Session of the Council on Human Rights. Geneva, Switzerland, 15th June, 2009.**

Electronic version:



**[www.presidencia.gov.br](http://www.presidencia.gov.br)** or **[www.brasil.gov.br](http://www.brasil.gov.br)**

To receive HIGHLIGHTS by e-mail, send a message to:

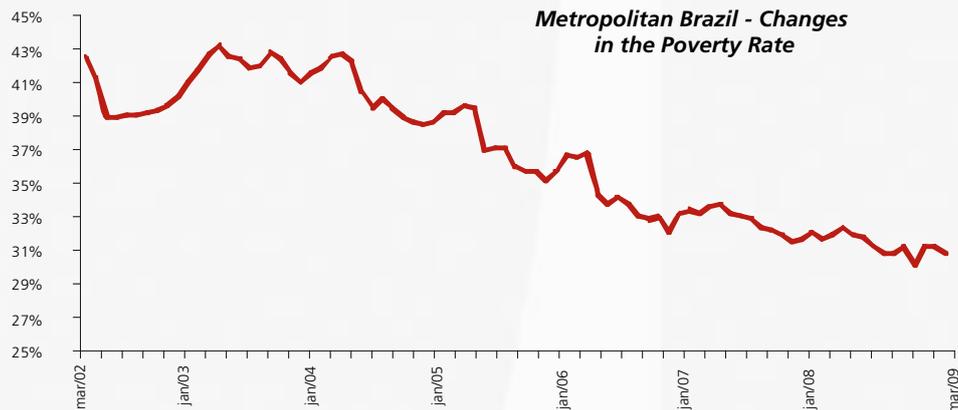
**[destaques.secom@planalto.gov.br](mailto:destaques.secom@planalto.gov.br)** with the word "incluir" in the Subject Field.

# A PICTURE OF SOCIETY

## Poverty rates in the main metropolitan regions of Brazil have continued to fall

The international economic crisis has not stopped the ongoing decline in poverty which started in 2004, according to a study by Ipea. In the first six months of the crisis (Oct, 2008-Mar, 2009), the number of poor people in metropolitan regions fell by almost 316,000. An actual increase in the minimum wage and a framework of income guarantees for poor people which reaches 34% of the population, are possible reasons for the decrease. See page 64.

### Decrease in metropolitan poverty



### Reduction of inequality and hunger

- Inequality of domestic income<sup>2</sup>: fell from 0.553 in 2002 to 0.520 in 2007 (-6%).
- Malnourishment (underweight children under five years old): numbers fell from 12.5% (2003) to 4.8% (2008)<sup>3</sup>.

### Increase of formal registration of workers, income and credit

- The proportion of formally registered workers increased from 49%, in 2003, to 53.4% in 2008<sup>4</sup>.
- Income has increased in all sectors: the income of the poorest 10% increased by 22.2% and that of the richest 10% increased by 0.3% between 2002 and 2007.
- Women's incomes rose more than those of men, and the difference in incomes between white and black people has also fallen.
- The minimum wage received a nominal readjustment of 133% and a real increase of 64% above inflation as measured by the INPC/IBGE (January, 2003-June, 2009)<sup>5</sup>.
- Credit provided to individuals increased from R\$88.5 billion (January, 2003) to R\$426.5 billion (May, 2009). See page 45.
- A study by the FGV<sup>6</sup> confirms the expansion of the middle class. Class C makes up 52.7% of the population in the biggest six metropolitan regions and increased by 24% from February, 2003-February, 2009.
- Results confirm the development of a broad and dynamic internal consumer market.

### Improvement in education and in access to information

- Illiteracy (over 15 years old) has dropped from 11.8% (2002) to 9.9% (2007).
- The number of college students grew by 1.3 million (2003-2007) and 541,000 Prouni scholarships have been taken up since 2005.
- The number of houses with computers increased from 14.2% (2002) to 27% (2007) and those with access to the Internet, from 10.3% (2002) to 20.4% (2007).

1. Source: Ipea – *Pobreza e crise econômica: o que há de novo no Brasil metropolitano (Poverty and Economic Crisis: What Is New in Metropolitan Brazil)*, published May 21st, 2009.

2. Measured by the Gini Coefficient, in which inequality varies from 0 (absolute equality) to 1 (absolute inequality).

3. Source: Ministry of Health.

4. Source: Monthly Employment Research/IBGE.

5. Source: Ipeadata.

6. FGV – *Crônica da Crise: Ressaca e Resiliência Recentes (Chronicle of the Crisis: The Recent Hangover and the Fightback)*, published April 8th, 2009.

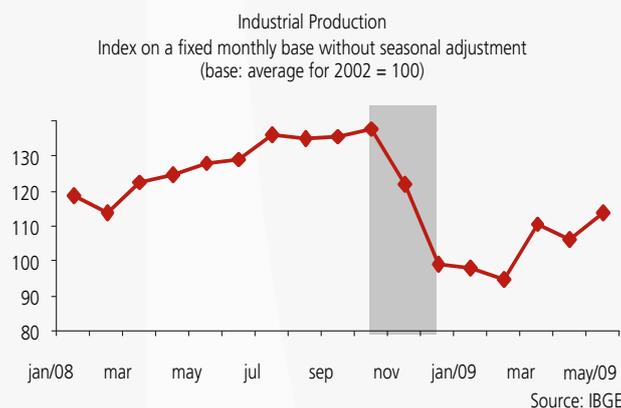
# A PICTURE OF THE ECONOMY

## **Brazilian industry recovers in 2009**

Industrial production is showing signs of recovery in 2009 after the marked drop in the last three months of last year caused by the international financial crisis. This recovery, however, may be a slow one.

### **Industrial production is recovering and exports are doing well**

- Industrial production: after the serious fall in the last three months of 2008, industry is recovering in 2009 (+1.3% when comparing May, 2009-April, 2009).



- Exports: US\$ 197.9 billion accumulated in 2008. A record. June, 2009: US\$ 14.5 billion and US\$ 70.0 billion accumulated in 2009.

### **Monetary and fiscal policies favour recovery and controlled inflation**

- IPCA: 5.90% in 2008 (4.46% in 2007). May, 2009: 0.47% (5.20% in the last 12 months).
- Primary surplus: 4.06% of GDP in 2008 (3.92% in 2007). May, 2009: 2.28% of accumulated GDP in 12 months.
- Reduction of interest rates:
  - For the first time, the Selic rate is below two figures: 9.25% per annum.
  - Long Term Interest Rates (TJLP): 6% per annum. The lowest since records began in 1995.
- A high level of international reserves: US\$ 208.4 billion (June 30th 2009).

### **Internal consumption and credit grow and support the economy**

- Family Consumption: +0.7% (first three months of 2009).
- Government Consumption: +0.6% (first three months of 2009).
- Six-monthly record in vehicle sales: 1.5 million units (+3.01% more than in the first six months of 2008).
- The credit market continues to expand: volume of credit in the financial system has reached a record amount of R\$1,259.5 billion (May, 2009) or 43% of GDP.

### **GDP falls in the first three months, but direct foreign investment remains steady**

- GDP: R\$684.6 billion in the first three months of 2009. A fall of 0.8% in comparison with the fourth three-monthly period of 2008 and of 1.8% in comparison with first three months of 2008.
- Investment (GFCF<sup>1</sup>): -12.6% (variation between first three months of 2009 to the fourth three-monthly period of 2008). The biggest fall since 1996.
- Investment rate (GFCF/GDP): 16.6% (first three months of 2009).
- Foreign direct investments: US\$ 45.1 billion in 2008 (+30% compared to 2007). A record. May, 2009: US\$ 2.5 billion (US\$ 42.3 billion in the last 12 months).
- Direct investments of Brazil abroad: US\$ 20.5 billion in 2008 (+193% in relation to 2007). May, 2009: -US\$ 1.5 billion (US\$ 13.9 billion in the last 12 months).

1 Formation of Gross Fixed Capital.

# ECONOMIC PORTRAIT - COMPARISON

Comparison between of selected economic indicators 2003 and 2009

| <b>Indicador</b>  | <b>jan 2003</b>      | <b>may 2009</b>      | <b>Variation (%)</b> |
|---|----------------------|----------------------|----------------------|
| <b>GDP – Gross Domestic Product</b><br>(R\$billion in 2008)                     | 2,269.4 <sup>1</sup> | 2,889.7 <sup>2</sup> | +27                  |
| <b>Primary Surplus</b><br>(% of GDP accumulated in 12 months)                   | 3.71                 | 2.28                 | -39                  |
| <b>International Reserves</b><br>(US\$ million)                                 | 37,652               | 208,425 <sup>3</sup> | +453                 |
| <b>Foreign Direct Investment</b><br>(accumulated in 12 months – US\$ million)   | 16,020               | 42,308               | +164                 |
| <b>Brazilian Investment Abroad</b><br>(accumulated in 12 months – US\$ million) | 2,654                | 13,864               | +422                 |
| <b>Brazil-Risk</b><br>(base-points)   | 1,439                | 284 <sup>3</sup>     | -80                  |
| <b>Selic Interest rates</b><br>(% per annum)                                    | 25.00                | 9.25 <sup>3</sup>    | -63                  |
| <b>Total Credit</b><br>(% of GDP)   | 21.8                 | 43.0                 | +97                  |
| <b>Commercial Dollar</b><br>(R\$)   | 3.44                 | 1.96 <sup>3</sup>    | -43                  |
| <b>Inflation IPCA</b><br>(% per month)  | 2.25                 | 0.36                 | -84                  |
| <b>Basic-needs grocery package</b><br>(R\$)                                     | 209 <sup>6</sup>     | 209                  | 0                    |
| <b>Employment</b><br>(millions of formal jobs)                                  | 28.7                 | 39.2                 | +37                  |
| <b>Unemployment rate metropolitan regions</b><br>(%)                            | 11.2                 | 8.8                  | -27                  |
| <b>Real Minimum Wage</b><br>(R\$)   | 284                  | 465                  | +64                  |
| <b>Industrial Production (index)</b><br>(Fixed Base: 2002 = 100)                | 92.22                | 114.01               | +24                  |
| <b>Grain Harvest</b><br>(millions of tons/year)                                 | 97.7 <sup>8</sup>    | 145.8 <sup>9</sup>   | +49                  |
| <b>Commercial Sales (index)</b><br>(Fixed base: 2003=100)                       | 93.38                | 153.98               | +65                  |

1. GDP 2002.

2. GDP 2008.

3. Jun/09.

4. Special System of Liquidation and Custody – Central Bank Rates.

5. Index of Prices to the General Consumer – IBGE.

6. Average price of the Dieese basic-needs grocery package, corrected by the IPCA to prices of Jun/09.

7. The nominal minimum wage has been deflated by the INPC of the IBGE. Basis: Jun/09. Source: Ipeadata.

8. 2002 Harvest.

9. 2008 Harvest.

# ENERGY

## ***“Light for Everybody” takes electrical power to two million homes***

In May, 2009, the “Light for Everybody” programme passed its initial target of two million connections and has benefited around ten million people in rural areas, which accounts for all the families who did not have access to electrical power, according to the 2000 IBGE Demographic Census. By June 30th, 2009, the number of connections had already reached 2,023,817.

### ***The “Light for Everybody” Programme***

- Created in 2004, the programme allows free access to electrical power for those who do not have it.
- Profile of the public benefited:
  - 60.9% receive up to one minimum wage each month, and 36% up to three minimum wages;
  - 96,000 families have returned to rural areas (4.8% of the total) due to this programme;
  - 35,8% have had an increase in family income;
  - 34% have had improved job opportunities;
  - 41.1% have started to study at night;
  - 78.5% acquired a TV set, 73.1% have bought a refrigerator and 44.7% stereo systems. This means that 1,570,000 TV sets, 1,462,000 refrigerators and 894,000 stereo systems have been sold.
- 300,000 new jobs have been generated.
- 4.62 million lamp-posts, 883,000 km of wire and 708,000 converters have been used.
- Total Federal Government investment is R\$9.8 billion (72% of the total investment), of which R\$6.9 billion have been released. More than R\$1.7 billion will be invested by state governments.
- By 2010, more than one million connections should have been made, benefiting 5 million people, because more families without electrical power were identified by the Census.

### ***Biodiesel***

- The increase to 4% of the amount of biodiesel mixed with diesel (B4) from first July, 2009 onward has been generating an annual demand estimated at 1.8 billion litres of fuel, which maintains Brazil’s status as one of the largest producers and consumers of biodiesel in the world.
- The biodiesel for the obligatory mixture is acquired through three-monthly public auctions: 80% of the volume is reserved to factories which have the Selo Combustível Social (Social Fuel Seal), given to those producers who negotiate the purchase of raw materials with family farmers.
- 14 biodiesel auctions have already taken place: six during the non-obligatory mixture period (2005-2007) and eight in the obligatory mixture phase (from 2008). In the last auction organized by the ANP on May 29th, 2009, 460 million litres were acquired to meet requirements for the third three-month period of 2009<sup>1</sup>. Of this total, 93% will come from production units which have the Selo Combustível Social.
- Of the 65 factories built, 43 are authorized to trade with a nominal capacity of 3.6 billion litres/year. Of these, 29 have the Selo Combustível Social and represent 92% of the capacity authorized for trading.
- Brazilian biodiesel is made from soybean oil (76.4%), cattle fat (19.4%), cotton oil (2%) and other raw materials (2.2%)<sup>2</sup>.
- The average regional production in Apr, 2009 was distributed in the following way: Mid-west (37.3%), South (36.6%), Southeast (19.4%), Northeast (6.2%) and North (0.5%).

1 This volume represents the demand of biodiesel to the mixture B4 in this period

2. Palm/dendê oil, castor oil, other oily substances materials, pig fat and used frying oil.

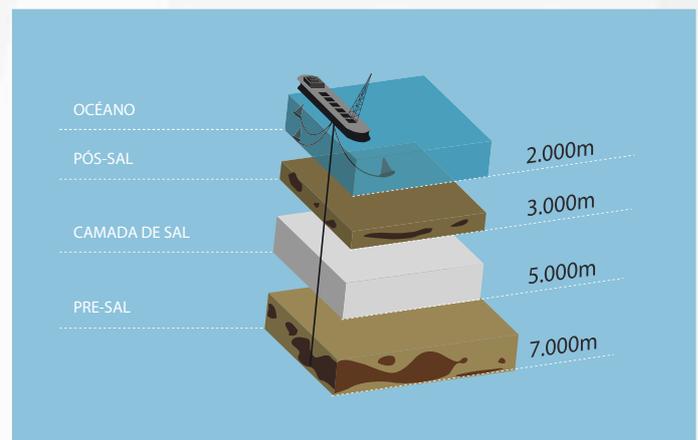
# ENERGY

## Ethanol

- The second largest producer and the largest exporter of ethanol in the world, Brazil produced 24.5 billion litres of this fuel in 2008. Total Brazilian exports up to May, 2009 were 1.03 billion litres.
- Ethanol and bioelectricity derived from sugar cane today account for almost 16% of all domestic power supply and occupy second place in the Brazilian energy grid, second only to oil-based fuels, which constitute 37% of supply.
- Sugar cane ethanol can reduce the levels of the polluting emissions linked to gasoline by more than 90%, and generates employment and income in rural areas.
- A national tripartite agreement has been reached between businessmen, workers and the Federal Government. It aims to make the conditions of labour in sugar cane cultivation safer and more dignified, as well as promoting the re-insertion of unemployed people into the labour market by developing the mechanisation of their harvesting system. See page 51.
- Flex-fuel cars: 7.9 million units were sold from their launch in 2003 to May, 2009. In May, 2009, 88% of the total light vehicles licensed in the country were of the flex-fuel type. They make up 30% of the total fleet of light vehicles in circulation.

## Oil – Challenges of the Pre-Salt Layer

- The pre-salt layer is 800 km long and 200 km wide. Some exploration areas are 340 km from the Brazilian coast.
- The depth of the reserves is up to 5,000m: 2,000m of sea, 1,000m of post-salt layer rocks and a further 2,000m of salt.
- Estimated volume: from 11.5 to 15.5 billion barrels. If this is confirmed, it will mean an increase of 80%-100% over current reserves.
- Solutions to overcome technological and economic challenges to explore the pre-salt layer, such as the sinking of high-inclination long-range wells and the logistics of bringing oil from 300 km out to sea, are being developed by Petrobras and the industrial sector.
- In the last five years, Petrobras has invested US\$ 1 billion in research and development.
- See the background to oil discoveries in Brazil on page 63.



Source: Petrobras

## Energy from renewable sources meets demand and reduces environmental impact

Brazil's energy policy aims to meet increasing demand, sustaining economic growth with low environmental impact and reducing global warming through ample use of renewable energy sources. It also promotes improvements in the living conditions of the population, implementing the "Light for Everybody" programme and the Selo Combustível Social (Social Fuel Seal). Strategic decisions made by the Brazilian State have for some time been going in this direction, for instance, the creation of Petrobras in 1954, the implementation of Pró-Álcool in 1975 and the launch of the National Programme for the Production and Use of Biodiesel in 2004. Today, 45.3% of domestic energy supply comes from renewable sources such as hydroelectric dams. All this, in addition to recent discoveries of gas and petroleum in the pre-salt layer, will give the country greater security in regard to its energy supply.

**For more information: [www.mme.gov.br](http://www.mme.gov.br) and [www.epe.gov.br](http://www.epe.gov.br).**

# FOREIGN POLICY

## ***Brazil takes part in the G8+G5 Summit in Italy***

The meeting took place in Áquila, Italy, from July 7th to 10th, 2009 and brought together the G8 summit countries (Germany, Canada, United States, France, Italy, Japan, the United Kingdom and Russia) and the G5 countries (South Africa, Brazil, China, India and Mexico). The G5 have been invited to the annual summits of the G8 since 2005. The main themes on the agenda were: the financial-economic crisis, the reform of global governance, food security and climate change.

## ***The G8 + G5 summit agree on sensitive topics; the Doha Round is re-launched***

- G8 and G5 leaders agreed to re-launch the Doha Round and announced investment packages of US\$ 20 billion over three years to stimulate food production in developing countries, with special emphasis on Africa.
- Concerning the climate, the largest economies of the world agreed on the need to keep average global warming to a maximum of 2°C, above pre-industrial levels.

## ***The process of institutionalising the BRIC countries moves forward***

- The first summit meeting of the BRIC countries took place in June, 2009, in Yekaterinburg, Russia. The presidents of Brazil, Russia, India and China looked for common understandings related to the global financial crisis and for ways to overcome it, reform of the United Nations Security Council, energy, climate change and food security.

## ***The Brazilian Mission to China***

- Results of the visit, which took place in May, 2009: creation of the Brazil-China Centre for Climate Change and Innovative Technologies – a partnership between the Coppe-UFRJ and the University of Tsinghua; the decision to build an Embrapa laboratory in Beijing in 2010, in partnership with the Chinese Academy of Agricultural Sciences (CAAS); a proposal to create a Brazil-China Centre for Research in Nanotechnology; cooperation in the areas of politics, law, science and technology, space research, finance, energy, sales of agricultural and stockbreeding products, and harbour cooperation.

## ***Organisation of the American States – OAS***

- At its 39th General Assembly in Honduras, in June, 2009 a resolution was approved making ineffective the exclusion of the participation of Cuba in the OAS; Brazil was present.

## ***Central America***

- The Brazilian Government condemned the military action of June 28th, 2009, when the President of Honduras was removed from the Presidential Palace and expelled from his country. To Brazil, this action represents an attack on democracy and is not in accordance with the political development of the region.

## ***Portal “Brazilians around the World” – [www.brasileirosnomundo.mre.gov.br](http://www.brasileirosnomundo.mre.gov.br)***

- Launched in June, 2009, it carries topics related to Brazilian communities, with information about supporting and furthering the opportunities of Brazilian people living abroad.
- This feature increases dialogue between Itamaraty and Brazilian communities, and of the latter between themselves. It is part of the preparation for the 2nd “Brazilians in the World” Conference, which will take place in August, 2009, in Rio de Janeiro.

## ***Guidelines of current Brazilian foreign policies***

Brazil is working to achieve a new, non-exclusive and multipolar world geography. Traditionally orientated by the search for peace, by negotiated solutions to international conflicts and by the defence of national interests, the country values multilateral organizations, especially the United Nations, and defends the construction of a new fairer and more democratic international economic order. **More information: [www.mre.gov.br](http://www.mre.gov.br).**

# DEMOCRACY

## **Brazil increases control of public resources**

The Transparency Law makes it easier for society to control the public expenses of the Union, states and municipalities and strengthens the commitment of the state to fight corruption. It reinforces the Transparency Portal, which gives news of how Federal Government allocates resources.

### **More transparency and control of public expenses**

- The Transparency Portal ([www.portaldatransparencia.gov.br](http://www.portaldatransparencia.gov.br)): launched in Nov, 2004, has already given details of the expenditure of R\$ 5.6 trillion of the federal budget related to 5,503 actions, up to June, 2009.
- Transparency Law (LCp N° 131, 27th May, 2009):
  - The Union, states and municipalities will be obliged to publish on the Internet, in real time, data concerning their budgets and expenses<sup>1</sup>.
  - Any citizen, political party, association or trade union can denounce to the TCU and to the Public Ministry [more or less the Office of the Public Prosecutor – trans.] anyone who breaks this law.
- The Observatório da Despesa Pública - ODP (Observatory of Public Expenses): created by the Controladoria-Geral da União – CGU (National Audit Office) in Dec, 2008, it monitors public expenses through information technology tools installed in the databases of government systems. This project has received the Conip Prize for Excellence in Innovation in Public Management, in the category of The Best Public Information Technology Project<sup>2</sup>.

### **The fight against and prevention of corruption**

- A guidance document was launched on July 8th, 2009 for economic bodies, public administrators and the general population to identify cases of anti-competitive behaviour in public bids ([www.mj.gov.br](http://www.mj.gov.br)).
- Expansion of control of public expenses: the manual entitled “A Responsabilidade Social das Empresas no Combate à Corrupção” (“The Social Responsibility of Companies in Fighting Corruption”) <sup>3</sup> encourages companies to adopt ethical practices in commercial relations.
- Punishments: since January, 2003, 2,179 civil servants have been punished by the Federal Government for corruption, resulting in 1,878 dismissals, 169 persons removed from posts of responsibility and 132 cancellations of pensions.

### **Society builds a new relationship**

- A National Commitment to Improve Working Conditions in the Sugar Cane Industry was agreed between workers, businessmen and the Federal Government. Measures foresee the end of indirect recruitment, eliminating the ‘cat’ (gangmaster); changes in the calculation of productivity; adoption of security measures and rest periods. See page 51.

### **Respect for differences**

- 2nd National Conference on Racial Equality, which took place from June 25th-28th, 2009, in Brasília, brought together 1,300 delegates from all over the country and dealt with themes such as: deeds for quilombola lands [quilombos were settlements of escaped slaves and these communities survive today – trans.], quotas in the universities, respect for religions, health programmes for the black population and combating racism.

## **A Country for Everybody**

The dialogue between State and society helps to define and improve public policies and monitor the actions of the Government. Control measures and combating corruption have been improved. National conferences with elected representatives define the priorities for social inclusion, human rights, access to food, education, health, housing and culture. Since 2003, 56 conferences have taken place, with more than 3.4 million participants.

1. Municipalities with more than 100,000 inhabitants have up to one year to make this information known; between 100,000 and 50,000 inhabitants, two years; and less than 50,000 inhabitants, four years.

2. On June 12th, 2009; the Conip Institute (Knowledge, Innovation and Practices of Information Technology in Public Management) is a non-profit-making NGO that acts as an observer of successful practices in the use of information technology in public management in Brazil.

3. Launched during the 10th International Conference of the Ethos Institute, on June 16th, 2009 in São Paulo. The initiative comes from the CGU in partnership with the Ethos Institute and the United Nations Office on Drugs and Crime (Unodc).

Stay up to date. See also:  
[www.brasil.gov.br/noticias/em\\_questao](http://www.brasil.gov.br/noticias/em_questao)

# 2

## SECTORAL PROGRAMMES AND THEMES

# AGRICULTURE AND STOCKBREEDING

## ***Agricultural and Stockbreeding Plan 2009/2010 increases credit by 37%***

The Federal Government has provided R\$107.5 billion for agriculture and stockbreeding through the Agricultural and Stockbreeding Plan – PAP 2009/2010, launched on June 22nd, 2009. This total represents 37% more resources for agricultural credit compared to the 2008/2009 harvest. In the new harvest, which begins in June, 2009, commercial agriculture accounts for R\$92.5 billion (an increase of 42.3%) and family agriculture for R\$15 billion (an increase of 15.4%).

### ***More support for the medium-sized farmer***

- In the next harvest, the medium-sized Brazilian farmer will have R\$5 billion because of improvements resulting from the extension of the rural Proger<sup>1</sup>, 72% more than the amount provided in the former cycle.
- The maximum income for the farmer to have access to this credit has been doubled and is now R\$500,000 gross annual income.
- The limits of credit for costs, investment, sales and acquisition of machinery and equipment has increased from R\$150,000 to R\$250,000.

### ***Cooperatives receive more resources and longer deadlines***

- In this edition of the PAP, R\$2 billion will be distributed by the Programme for the Capitalisation of Agricultural Production Cooperatives (Procap Agro). The programme was created to promote the expansion of working capital and the improvement or restructuring of the property of cooperatives whose business is agricultural, agro-industrial, aquacultural or fish production.
- The limit to funding is R\$25,000 for each member, and the limit for each cooperative is R\$50 million. Annual interest rates are 6.75% and the deadline for paying back the loan is six years.

### ***More motivation for sustainable production***

- Producers will have more resources to invest in bringing land back into production and improving and conservation of the soil, as well as adopting sustainable practices in rural areas.
- R\$1.5 billion were granted for these purposes by the Programa de Incentivo à Produção Sustentável do Agronegócio - Produsa (Programme to Motivate Sustainable Production in Agribusiness): an increase of R\$500 million in relation to the 2008/2009 harvest.

### ***Re-opening of the Russian market to Pork Imports***

- In June, 2009, two freezer containers of pork from Santa Catarina were officially allowed to be exported to Russia. Brazil had not been allowed to export this kind of meat to this country since 2005, due to outbreaks of foot-and-mouth disease in Brazil.
- Russia is the main purchaser of Brazilian meat.

### ***The agricultural sector contributed most to rising employment in May***

- Agriculture was responsible for creating 52,927 formal jobs (+3.36%) in May, 2009. The sector contributed most to the positive result in creating registered job opportunities in that month, according to Caged. See page 46.

## ***What the Agricultural and Stockbreeding Plan – PAP consists of***

The PAP establishes the guidelines for agricultural policy on production and the harvest each year. For the 2009/2010 harvest, its objectives are: to increase the resources of the Sistema Nacional de Crédito Rural – SNCR (National System of Rural Credit), specifically with controlled interest rates; improve liquidity; reduce the financial costs of the rural producer, and expand sales and rural insurance cover.

**More information: [www.agricultura.gov.br](http://www.agricultura.gov.br).**

1. Programa de Geração de Emprego e Renda (Programme for Generating Jobs and Income).

# SUSTAINABLE AMAZON

## *The fight against illegal land occupation reduces deforestation*

Law nº 11,952/09 which establishes the regularisation of settlements and properties in the Legal Amazon was sanctioned on June 25th, 2009. It helps reduction of deforestation through combating illegal land occupation and by making it possible for land owners to be held responsible for environmental damage. The new regularisation has begun with the Green Arc Group Action in June, 2009.

### *The Land Title Regularisation Law*

- Ten-year titles of possession of land will be given to around 290,000 occupiers, who will receive the land free in the case of areas up to one fiscal module, or will have up to 20 years to pay for it in the case of areas from 1-15 fiscal modules. Lands of 432 municipalities located in federal areas will also be regularised.
- Those interested in acquiring lands need to have their main economic activity in the land and to have taken possession of it, without violence, before December, 2004.
- After transfer, the owner will have to improve areas which may have been degraded. In the terms of the Environmental Code, at least 80% of each property in the Amazon must be preserved.

### *Mutirão Arco Verde (Green Arc Group Action)*

- Initiated on June 19th, 2009, and planned to last until October, 2009, the Group Action marks the resumption of the Green Arc Operation, launched in 2008 to promote emergency and restructuring actions in those Amazonian municipalities responsible for the majority of deforestation.
- In this new phase of the operation, 43 municipalities will be contacted and the focus of action is the regularisation of land through the Programa Terra Legal (Legal Land Programme)<sup>1</sup>, launched during the Action.
- The Group Action will take action to stimulate sustainable production into the municipalities, offering several public services, courses – including training public administrators - registering deeds to start the process of regularising properties, involving various federal, state and municipal public organs<sup>2</sup>.
- Among the services offered are: provision of civil documents and identification cards for the elderly, access to social security benefits, to credit, to technical assistance and to the provision of technology, military enlistment, registering fishermen, opening bank accounts and providing environmental licences.
- By July 13th, 2009 (four weeks of work), the Group Action had covered twelve municipalities<sup>3</sup>, attended to 75,000 clients and registered more than 1,878 settlers. Progress of the Action can be monitored at [portal.mda.gov.br/arcoverde](http://portal.mda.gov.br/arcoverde).

## *What the Plano Amazônia Sustentável – PAS (Sustainable Amazon Plan) consists of*

The PAS aims to value the nation's natural heritage and to bring investment in technology and infrastructure to make feasible dynamic and innovative activities that are compatible with the sustainable use of natural resources and the preservation of biomes. The plan is based on the Legal Amazon (embracing the states of AC, AM, MA, MT, PA, RO, RR and TO) and has six branches: 1) Land regularisation; 2) Public policies to fight deforestation; 3) Reorganisation of agriculture and Stockbreeding in the *cerrado*; 4) Economic alternatives for small growers and extractive workers in the transition zone between the forest and the *cerrado*. 6) Logistics and training, science and education. **More information: [www.sae.gov.br](http://www.sae.gov.br).**

1. The programme aims to regularise 296,000 properties of up to 15 fiscal modules in the region within three years. Through this programme, owners of up to four fiscal modules will have priority access to environmental licenses, to specialist help, to the Pronaf Systemic line of credit and to programmes for purchasing produce.

2. Executive Office of the President, MDA, MMA, MAPA, MPS, TEM, MCidades, MD, MPA, SEDH, Banco do Brasil, Banco da Amazônia, BNDES and SEBRAE.

3. Porto Velho and Nova Mamoré, Machadinho d'Oeste and Pimenta Bueno, in RO; Marabá, Tailândia, Paragominas and Ulianópolis, in PA; Feliz Natal, Nova Uiratã, Alta Floresta and Peixoto de Azevedo, in MT.

# FAMILY CASH TRANSFER

## ***Inclusion in the banking system for beneficiaries of Family Cash Transfer***

In May, 2009, around 1.7 million families received Family Cash Transfer benefits in their bank accounts. With banking inclusion, poor families have easier access to credit and other financial services. Families also take part in a financial education project, which informs the public about family financial planning, bank products and services, starting a business and basic information about credit, micro-financing and small businesses.

## ***Review of the register of beneficiaries***

- By June, 2009, around 953,000 registrations had been reviewed by municipal coordinators of the programme. By August, 2009 round 2.4 million records will have been reviewed.
- The goal is to update all records that have not been updated in the past two years (3.4 million).

## ***Cancellation of benefits***

- Since January, 2009, 447,094 benefits of families with *per capita* monthly income higher than the eligibility criterion for Family Cash Transfer have been cancelled. Currently, families with a maximum *per capita* monthly income of R\$137 can be included in the programme.
- More than two million families have left the programme due to increase in income or to auditing processes since the beginning of the Family Cash Transfer, in October, 2003.

## ***Professional qualification***

- Around 100,000 people are registered in 256 municipalities in the Sector Plan for Professional Qualification – PlanSec Bolsa Família. Of these, approximately 25,000 are already studying.
- PlanSec aims to train beneficiaries of the programme for professional qualifications and put them in jobs of construction and tourism.
- Mobilisation actions are running in around 40 institutions<sup>1</sup> which teach the courses run by PlanSec. These actions aim to give information about good examples of implementing the project, increase the number of inscriptions and speed up the process of forming study groups<sup>2</sup>.

## ***Access to Micro-credit***

- One of the Federal Government's goals is increasing access to credit for beneficiaries of Family Cash Transfer with a micro-entrepreneur profile.
- In 2008, an official announcement was published to stimulate the operation of 20,000 lines of credit within the Programa Nacional de Microcrédito Produtivo e Orientado – PNMPO (National Productive and Guided Micro-credit Programme). Twelve micro-credit institutions were selected, which operate in around 220 municipalities.
- Partnership with the Banco do Nordeste – BNB expands lines of credit to families from the Family Cash Transfer Programme, such as the Agroamigo (Agrofriend), aimed at the rural area (family farmer, small rural enterprises and handicrafts) and the Crediamigo (Creditfriend), directed at urban areas. Creditfriend helps 200,000 beneficiaries of the Family Cash Transfer Programme.

## ***What the Family Cash Transfer (Bolsa Família) consists of***

Created in October, 2003, the cash transfer programme helps 11.4 million poor families. The benefits, with an average amount of R\$85 and a maximum of R\$182 for each family, are given directly to women by means of a personal electronic card. The grant is connected to fulfilment of goals, such as their children's school attendance and health care. The programme promotes food and nutritional security, the achievement of citizenship and the development of the potential of the most vulnerable sector of the population. **More information: [www.mds.gov.br/bolsafamilia](http://www.mds.gov.br/bolsafamilia).**

1. It involves bodies belonging to the 'S' System (Senai, Senac, Sesi and Sesc) and NGOs.

2. Carried out by MDS, MTE and the Office of the President.

# SCIENCE, TECHNOLOGY AND INNOVATION

## ***Brazil rises in the world ranking of scientific production***

Brazil's scientific production, measured by the number of articles indexed on the international Thomson Reuters database – ISI, grew by 56% in 2008, compared to 2007. The country rose from 15th place to 13th, overtaking countries with longer scientific traditions such as Russia and Holland. In 2003, Brazil produced 12,700 scientific articles and in 2008, more than 30,000. Those gaining masters' and doctoral degrees increased from 37,300 in 2003 to almost 60,000 in 2008. The number of students holding scholarships increased from less than 90,000 to 143,000, in the same period. In 2009, there will be 170,000.

## ***Colleges and Universities receive resources for infrastructure***

- 119 institutions have received funding to renew equipment and research provisions. 345 projects were granted funds announcement officially by Finep: 37% in the North, Northeast and Mid-west. Total resources amounted to R\$360 million in 2009.

## ***More than R\$100 million for research***

- The Government is reinforcing activities in research in science, technology and innovation, in all fields of knowledge through a Universal Official Announcement. In 2009 the resources – of CNPq and of Finep – come to a total of R\$100 million. Between 2003 and 2008, 13,089 projects were financed with a total of R\$431 million.

## ***National Post-doctoral Degree Programme***

- The programme finances the research of young Ph.D.s. Each project can have up to three researchers, with scholarships of R\$3,300 per month each, and a further R\$12,000 each year for expenses. The resources, from the MCT and MEC, come to a total of R\$17.2 million, and are linked to the Política de Desenvolvimento Produtivo – PDP (Productive Development Policy).

## ***Finep passes on the reduction in TJLP interest rates***

- The reduction of the TJLP by 0.25 percentage points, announced in June, 2009, directly benefits the new contracts of Finep's Inova Brasil Programme, that annual interest rate of which have decreased from 6.25% to 6%. Created in 2008, the Inova Brasil Programme finances projects of innovative companies that fit within the PDP, with fixed and equalised rates that are now between 4% and 8% a year.

## ***Resources for innovative companies***

- The Programa Primeira Empresa Incubadora – Prime (First Incubating Company Programme) finances technology-based companies less than two years old. There has already been a selection of 1,878 companies which will receive non-refundable resources of R\$120,000 each by October, 2009. The total amount available this year is R\$230 million.

## ***The State School Mathematics Olympics (OBMEP) has a record number of enrolments***

- In 2009, its 5th year, the OBMEP has more than 19 million enrolments. The number of schools has increased from 40,000 in 2008 to 43,000 – including 99% of all the country's municipalities. Around 120,000 voluntary teachers will apply tests in the two phases (Aug 18th and Oct 24th, 2009).

## ***What the Action Plan in Science, Technology and Innovation 2007-2010 (PACTI) consists of***

The PACTI aims to expand, integrate, modernise and consolidate the National System of Science, Technology and Innovation in partnership with state governments – to enlarge the national scientific and technological base, promote a favourable environment for innovation in business, and strengthen the PDP (see page 18) and research and innovation activities in strategic areas. It also aims to popularise the teaching of sciences, universalise access to goods generated by science and spread technologies that improve the living conditions of the population. **More information: [www.mct.gov.br](http://www.mct.gov.br).**

1. Thomson Reuters: the biggest scientific news agency in the world, responsible for the ISI Web of Knowledge – a database more than 25 years old, holding information about scientific production in more than 180 countries. It measures the scientific publishing capacity of each country as well as the impact of quotations of these publications. .

# CHILDREN AND ADOLESCENTS

## *Increasing protection for children and adolescents*

The Programme for Strengthening the System to Guarantee the Rights of Children and Adolescents), launched in 2007, has as one of its focus points the creation and strengthening of councils of children and adolescents' rights, childhood funds and Care Councils throughout Brazil. These actions, detailed below, are structured in three branches: the creation of schools for Councils, new legal framework and provisions for Care Councils.

### *Creation of Care Council schools*

- The schools are centres for the continued training of care councillors and rights councillors that aim to offer to these professionals the opportunity to improve their knowledge about their attributes and competences.
- Since 2007, 11 schools have already been established, seven of these (AL, BA, DF, MG, RJ, PE and GO) are located in priority states of the PAC Social Agenda<sup>1</sup> and four (MT, MS, MA and TO) in other states.
- In these centres, 6,420 rights councillors and 4,106 care councillors from 2,234 municipalities have been trained.
- The goal for 2009 is to establish eight more schools: four in the remaining priority states and another four in AC, AM, CE and PI. For 2010, there are plans to implement schools in the whole country.

### *New legal framework*

- Legal measures to regulate the creation and operation of the Care Councils in the country were elaborated and submitted for public consultation in 2008. In July, 2009, they will be evaluated by the Conselho Nacional dos Direitos da Criança e do Adolescente - Conanda (National Council for Rights of the Child and Adolescent) and later will be re-submitted for public consultation.

### *Equipping the Care Councils*

- 531 Care Councils and 21 Residential Centres for teenagers undergoing socio-educational measures in nine states have been provided with resources for the acquisition of IT equipment and furniture.
- Two agreements have been agreed to make possible the implementation of the Sipiá Web (Sistema de Informação para a Infância e Adolescência – Childhood and Adolescence Information System) in all Care Councils: a national system for recording and dealing with information about children and teenagers, such as accusations of cases of sexual abuse, for the exclusive use of the councils.

## *What the Social Agenda for the Child and Adolescent consists of*

The Agenda includes structured actions in three projects: "Bem-me-quer" ("Daisy") (dealing with violence against children and teenagers), "Caminho para casa" ("The Way Home") (promoting the right to live in a family and a community) and "Na Medida Certa" ("The Right Amount") (implementation of the Sinase, the National System of Socio-educational Provision). Sinase brings together the three levels of government, taking into consideration the relationship and shared responsibility of the family, community and state in helping teenagers who have problems with the law. **More information:** [www.presidencia.gov.br/estrutura\\_presidencia/sedh/arquivos/spdca/agenda\\_social.pdf](http://www.presidencia.gov.br/estrutura_presidencia/sedh/arquivos/spdca/agenda_social.pdf).

<sup>1</sup> The priority states on the Social Agenda are: AL, BA, DF, ES, GO, MG, RJ, PA, PE, RS and SP.

# CULTURE

## **The Vale Cultura (Culture Voucher) will stimulate consumption of cultural goods**

The benefit will allow working people to buy cinema, theatre and concert tickets, as well as products like books and CDs. Companies that declare income tax based on profit can join the Vale Cultura scheme and contribute up to R\$50 for each employee every month, with the right to deduct up to 1% from tax due. Employees who earn up to five minimum wages will pay no more than 10% of that amount and those who earn more than this will pay from 20% to 90%. The action has potential to put about R\$600 million into the economy each month or R\$7.2 billion a year. The bill proposing the Vale Cultura will be sent to the Chamber of Deputies in July, 2009.

## **Cultural Diversity for social inclusion**

- Points of Culture – [mapasdarede.ipso.org.br/mapa](http://mapasdarede.ipso.org.br/mapa)
  - Announced in June, 2009, a selection process to establish more 300 new points of culture in São Paulo. Selected artistic groups will receive R\$180,000, divided into three instalments over three years, to support and build up their cultural initiatives. R\$54 million will be available until 2012: R\$36 million from the Federal Government and R\$18 million from the Government of the state of São Paulo.
  - Since 2004, 73 culture *pontões*<sup>1</sup> and 1,600 thousand points of culture have been set up.
- “More Culture” Micro-projects
  - Official notices were published inviting tenders for projects to support the artistic activities of young people from 17-29 years old in 11 states<sup>2</sup> of the Brazilian semi-arid region, in June, 2009. By December, 2009, around 1,200 initiatives will have been selected and awarded sums of up to 30 minimum wages each. The total investment will be R\$13.5 million.
- The “Library in Each Municipality” Campaign,
  - The deadline to set up libraries in all Brazilian municipalities has been extended from July to December, 2009<sup>3</sup>. In 2009, 300 *kits*<sup>4</sup> have already been distributed for the establishment of municipal libraries, which will involve an investment of R\$37.2 million until the end of the programme.

## **Stimulus for production**

- Audiovisual production: in June, 2009 the eight winners of the first phase of the Edital FICTV/Mais Cultura<sup>5</sup>, were awarded R\$250,000 each. These funds are intended to pay for the production of pilots for a TV miniseries that will be broadcast on public television channels throughout the country in December, 2009.
- The Rouanet Law: after wide public consultation<sup>6</sup>, the bill that modifies and makes the National Fund for Culture more dynamic will be sent to the Chamber of Deputies<sup>7</sup> by August, 2009 at the latest. Measures foresee adjustments in the mechanism of tax relief, with an increase in participation of private investors. Currently more than 50% of the resources collected through tax relief are concentrated in only 3% of the proposals.

## **What the “More Culture” programme consists of**

The “More Culture” Programme aims to support culture as social inclusion, a means to help the economic development and upgrading of urban areas. It gives priority to areas of great social vulnerability with smaller HDIs and IDEBs mapped by Lands for Citizenship and by Pronasci. **More information: [mais.cultura.gov.br](http://mais.cultura.gov.br).**

1. The Culture *pontão* links actions between points of culture in the region – for example: it encourages one cultural centre that makes videos to collaborate with others that have a demand for this activity.

2. Alagoas, Bahia, Ceará, Espírito Santo, Maranhão, Minas Gerais, Paraíba, Pernambuco, Piauí, Rio Grande do Norte and Sergipe.

3. The deadline of July, 2009 given in the May-June, 2009 edition of *Destaques* has been revised.

4. 2,000 books, furniture, computer, a 29-inch TV set, DVD player and stereo system. There are still 361 municipalities waiting to benefit from the programme.

5. Title of the TV series that will be produced after selection advertised by public announcement has taken place; an action of the “Mais Cultura” programme which is part of the Ministry of Culture’s programme of content for television. See: [fictv.cultura.gov.br](http://fictv.cultura.gov.br).

6. Between March 23rd and May 23rd, 2009, by means of the Internet and debates in 16 capitals (Porto Alegre, Brasília, Recife, Campo Grande, Belo Horizonte, Salvador, Curitiba, São Paulo, Rio de Janeiro, Macapá, Manaus, Rio Branco, Maceió, Fortaleza, Florianópolis and Vitória).

7. The target for June, 2009 given in the May - June, 2009 edition has been revised, because two thousand contributions have been received by the Ministry of Culture.

# PRODUCTIVE DEVELOPMENT – PDP

## ***New measures to stimulate industrial investment and exports***

To overcome the international financial crisis, the Federal Government announced, in June, 2009 new measures to stimulate the economy, especially the sectors most affected. Among these measures is the reduction of interest rates in order to acquire and produce machinery and equipment using the Finem, Finame, Finame Agrícola and BNDES Automático credit lines.

### ***More credit with less cost***

- Reduction of costs of BNDES loans: these fell from 8.75% per annum to 6%, with a drop in the TJLP from 6.25% per annum to 6% and the cost of loan from the National Treasury to the Bank, from 2.5% per annum to 0%.
- Reduction of interest rates for acquiring and producing machinery and equipment: interest rates in the Finem, Finame, Finame Agrícola and BNDES Automático credit lines will fall from an average 10.25% per annum to 4.5%, except for the acquisition of buses and trucks, which will have a fixed rate of 7% per annum.
- Exemption of IPI on capital goods that are important for investment (for example: industrial valves).
- Extension of the removal of IPI on construction materials and trucks until December 31st, 2009.
- Creation of two funds to guarantee credit to small and medium enterprises (SMEs) and to buy capital goods: a contribution of R\$4 billion and coverage of 80% of each operation.
- Creation of the BNDES programme for re-financing debts of companies producing capital goods: 12-month deadline, payments to begin after six months. The reduction of taxes and the deadline for requesting re-financing will expire on December 31st, 2009.
- Reduction of interest rates for exporting: interest rates for financing the export of capital goods via the BNDES-Exim Pre-embarkation Line of Credit will be reduced from the current average of 12.05% per annum, to 4.5%, and those of the BNDES-Exim Post-embarkation Line will fall from Libor<sup>1</sup> +5% per annum to Libor +3%.
- Implementation of the Integrated Drawback<sup>2</sup> allows the exporter to acquire input from the internal market for industrialization with suspension of taxes, whether or not it is linked to an import. It also covers input used in the cultivation or preparation of agricultural goods for export. Moreover, it allows the importing of input materials and/or acquisition of national input in the same concession.
- Support for entry of SMEs (small and medium enterprises)<sup>3</sup> into the international market: 16 projects will be developed with institutional partners and another 17 initiatives will be supported with an economic subsidy. Each project will receive € 1.2 million (approximately R\$3.3 million) to promote the effective competitive entry of SMEs into the marketplace.

### ***BNDES Financing for investment***

- Outlays of all BNDES lines of credit for company investment reached the record amount of R\$43 billion in the first six months of this year. In the accumulated 12 months ending in June, 2009 concessions came to a total of R\$96.6 billion (+23% in comparison with the same period last year).

## ***What the Policy of Productive Development (PDP) consists of***

Conceived as a structuring policy, the PDP, announced in May, 2008, aims to consolidate Brazil's economic competitiveness and guide industrial policy. Its focus is the creation of conditions that will contribute to sustaining long-term growth cycles and to place Brazilian products in the international marketplace.

**More information:** [www.desenvolvimento.gov.br/pdp](http://www.desenvolvimento.gov.br/pdp) and [www.abdi.com.br](http://www.abdi.com.br).

1 Libor – London Interbank Offered Rate, a reference interest rate on the London market.

2 Consists of the suspension or elimination of taxes on imported products for use in exported products.

3 Project of the ABDI and of the MDIC, with support of the European Union.

# CIVIL DOCUMENTATION

## *National mobilisation to acquire Birth Certificates and Basic Civil Documentation*

Entitled "Birth Certificate. A right that gives rights. A duty of the whole of Brazil", the 2009 campaign is supported by Ronaldo 'the Phenomenon', who now plays for the Corinthians Football Club. This year the campaign will focus on the Northeast region and the Legal Amazon, which have the greatest proportion of people without birth certificates.

### *Strategy of the 2009 Mobilisation Campaign*

- The image of Ronaldo overcoming difficulties will be associated with the aim of eradicating the lack of birth certificates among children and adults.
- He will appear showing his full name – Ronaldo Nazário – as a symbol of the importance of having an identification card with one's name and surname.
- The campaign uses several methods of spreading information such as booklets to guide those directing actions for issuing birth certificate and identification cards, as well as posters to support them in lectures and help-sessions, envelopes to keep the certificate and materials that will be distributed to the population, like folders and pennants.
- The campaign will also be shown on radio and television channels. For more information or access to marketing products, refer to: [www.direitoshumanos.gov.br](http://www.direitoshumanos.gov.br).
- The campaign includes several partners, including federal organs and non-governmental institutions, among them Unicef, Pastoral da Criança (Children's Pastoral Care), Association of Brazilian Notaries and Registrars (Anoreg) and the Associação de Registradores de Pessoas Naturais do Brasil - Arpen-Brazil (Association of Registrars of People born in Brazil).
- One of the goals of this programme is reduce the national rate of under-registration of births to 5% by the end of 2010. This rate has dropped from 20.9% to 12.2% in five years (2002 – 2007).

### *Green Arc Group Action*

- The issuing of civil documentation is one of the services provided by the Green Arc Group Action, begun in June, 2009.
- Up to July 9th 2009, 897 birth certificates, 2,022 identification cards, 1,220 CPFs (Personal Registration Number) and 1,778 employment documents had been issued.
- The Group Action will cover 43 municipalities in the states of Pará, Rondônia, Mato Grosso and Amazonas. The objective is to guarantee the development of a sustainable method of production in the region of the Legal Amazon. See page 13.

## *What the Social Agenda of Basic Civil Documentation consists of*

Launched in 2007, it aims to promote citizenship by guaranteeing access to civil birth registration and basic civil documentation (ID, CPF and employment document). Besides being a right of citizens, these documents are necessary to guarantee other rights, such as the participation in social programmes. With a budget of R\$101.6 million until 2010, the focus of the programme is to eradicate under-registration of births (unregistered children up to one year old) and expand system for issuing documents. Its priorities are: the Legal Amazon, indian tribes and traditional populations (quilombolas, gypsies and people living on and beside rivers), rural labourers, homeless people, rubbish sorters, people with low incomes, the elderly and children in care, municipalities with an under-registration rate over 25% without registry offices or with very distant attendance centres. **More information:** [www.presidencia.gov.br/estrutura\\_presidencia/sedh/promocaodh/ld\\_rcn/](http://www.presidencia.gov.br/estrutura_presidencia/sedh/promocaodh/ld_rcn/).

# EDUCATION – PDE

## **12 new federal universities and 104 new campuses/units already in operation**

The expansion planned for federal universities aims to provide more places in the interior of the country and extend access to this level of education. By 2010, there will be 16 new universities and 131 new campuses/units. A joint effort on the part of Reuni and the Open University of Brazil has increased the number of vacancies offered by federal system from 125,000 in 2003 to 183,000 in 2008. See below the goals and achievements of the PDE in higher education.

### **Expansion and re-structuring of the Federal Higher Education System**

- Expansion of the system: the creation of 16 new universities and 131 new campuses/units by 2010. Twelve universities and 104 campuses/units are already in operation.
- The Programa de Apoio a Planos de Reestruturação e Expansão das Universidades Federais - Reuni (Support Programme for Plans to Re-structure and Expand Federal Universities): has increased access to and time spent in higher education at undergraduate level, to make the best use of the physical structure and human resources in federal universities. Global goals: raising the average rate of those finishing classroom-based courses from 76% to 90% and the ratio of undergraduate students to lecturers in those courses from 17 (the average in 2007) to 18, within 5 years counting from the start of the plan in each university.
- The Programa de Apoio a Planos de Reestruturação e Expansão das Universidades Federais - Pnaes (National Programme for Student Assistance): created in 2007, provides resources to help undergraduates in classroom-based courses in federal universities. Complementary actions: student housing, food, transport, health care, digital inclusion, culture, sport, day-care centres and support for learning.
- The Programa de Extensão Universitária - Proext (University Extension Programme): created in 2003, it helps public institutions develop extension projects to increase their contact with society. In 2008, 235 projects were financed, with investments of R\$12.6 million.

### **Improving provision for students in private higher education institutions**

- The Programa “Universidade para Todos” - Prouni (“University for All” Programme): concession of full and partial scholarships to students at undergraduate level and taking specific training courses in private institutions. Goal: 720,000 scholarships awarded by 2011. Achieved: 541,172 scholarships taken up by June, 2009.
- The Fundo de Financiamento ao Estudante do Ensino Superior - Fies (Financing fund for the Higher Education Student): aimed at conventional students registered on undergraduate courses, it prioritises institutions and students participating in the Prouni. Goal: 100,000 contracts per year. Achieved: 315,184 contracts (2003-2008).

### **Improvement of the evaluation, regulation and supervision of higher education**

- The new Enem: the Exame Nacional de Ensino Médio (National Secondary School Examination) is undergoing a process of change. From the second half of 2009 onwards, it will be used as the selection process to enter Higher Education Institutions and Federal Education, Science and Technology Institutes.
- The Sistema Nacional de Avaliação da Educação Superior - Sinaes (National System for the Evaluation of Higher Education): created in 2004, it evaluates institutions, courses and the performance of students in higher education. To date, 369 institutions have already been evaluated.

### **What the PDE consists of**

Now in its second year of existence, the Programa de Desenvolvimento da Educação - PDE (Programme for the Development of Education) aims to promote quality education from daycare to postgraduate level. It includes 40 programmes and has already achieved positive results in its four branches: Basic Education, Higher Education, Vocational, Technological Education (as well as literacy), and Continuing Education. Note: every two months, Destaques gives news of a different aspect of the PDE. **More information: [www.mec.gov.br](http://www.mec.gov.br).**

# EDUCATION – PDE

| <i>Programmes and Actions</i>                      | <i>Targets</i>  | <i>Achieved (June, 2009)</i>  |
|--|---|---|
| <b>Basic Education</b>                             |   |   |
| UAB  | 850 centres (by 2011)   | 560 centres   |
| Pibid  | 9,200 scholarships (by 2010)  | 2,321 scholarships  |
| ProInfância  | 500 new schools/year  | Contracts agreed to build 1,024 more day-care centres   |
| “Way to school” (school bus)                       | 15,000 vehicles (by 2011)   | 2,487 vehicles (740 with funds from MEC, 597 from the municipalities and 1,150 from the BNDES)  |
| Proinfo – Computer laboratories                    | 29,000 laboratories in 2008 and 26,000 in 2009  | 26,000 laboratories acquired in 2008  |
| Proinfo – Broadband                                | 22,000 connections in 2008 and 22,000 in 2009   | 24,182 total number of schools connected  |
| Ideb   | Average grades 6.0 (up to 4th grade), 5.5 (5th-8th grade) and 5.2 (high school) by 2021 | 2007: average grades forecast for 2009 were achieved (4.2; 3.8 and 3.5)   |
| Fundeb   | The Union provides 10% of the Fund, from 2010-2020                                      | R\$3.2 billion were transferred by the Union in 2008 (5% of the Fund) and R\$3.2 billion up to June, 2009 (8.5%)  |
| 9-year Elementary School (public and private)      | Universalise enrolments (by 2010)   | 52% of enrolments at this level (2008)  |
| School PDE   | 29,000 schools (2009)   | 7,875 schools received funds in 2008. In 2009, 1,493 schools have plans approved  |
| “More Education”                                   | 5,000 schools (2008 and 2009)   | 1,380 schools in 2008   |
| Multifunctional Resources Rooms                    | 15,000 rooms (by 2009)  | 5,551 rooms (2005 to 2008) bids invited for 10,000 rooms (2009)   |
| <b>Higher Education</b>                            |   |   |
| Expansion of Higher Education/Reuni                | 16 new federal universities and 131 new campuses/units (2010)                           | Universities: 12 operating and Draft Laws to create four more are going through Congress. Campuses/Units: 104 working (71 in permanent buildings and 33 in temporary accommodation) and 27 being prepared |
| Prouni   | 720,000 scholarships (by 2011)  | 541,172 scholarships have been taken up since 2005  |
| Fies   | 100,000 contracts per year  | Contracts signed (2003-2008): 315,184   |
| <b>Vocational and Technical Education</b>          |   |   |
| Expansion of Technical Education                   | 214 new technical schools (by 2010)   | 69 operating; 113 being built (of which 12 are in temporary accommodation) and 32 being prepared  |
| <b>Literacy Education and Continuing Education</b> |   |   |
| “Literate Brazil”                                  | 1.6 million students per year   | 2003-2007: 8,368,518 students. 2008, 2009: 1,371,227 students in active classes   |

# SPORT

## ***The Government will prioritise investment in infrastructure for the 2014 World Cup***

After the announcement of the 12 host cities by Fifa, the Federal Government started preparations for holding this event in Brazil. It is already starting the planning process, which will bring together federal, state and municipal initiatives and establish a framework of responsibility of each sphere of governmental, and the private sector. The government has prioritised investment in infrastructure that will remain as a permanent legacy after the Cup and will have positive impacts on the quality of life of the people: airports, harbours, public transport and basic sanitation.

### ***Host cities for the Cup***

- On May 31st, 2009 Fifa announced the 12 host cities of the World Cup 2014. They are: Belo Horizonte (MG), Brasília (DF), Cuiabá (MT), Curitiba (PR), Fortaleza (CE), Manaus (AM), Natal (RN), Porto Alegre (RS), Recife (PE), Rio de Janeiro (RJ), Salvador (BA) and São Paulo (SP).

### ***Preparatory actions for the 2014 World Cup***

- The Federal Government has formed an Executive Group for the 2014 Cup, which will decide on the investments in urban infrastructure and the various forms of credit to bring about their creation.
- Commitments have been agreed with Fifa through government guarantees which detail the necessary actions to host the World Cup. The main guarantees are:
  - Giving permission to enter and leave Brazil to members of the Fifa delegation, associated bodies, players, referees, journalists, employees of participating companies, suppliers, tourists and foreign supporters who have tickets for the matches.
  - Tax exemptions on the import and export of goods and products related to the competition.
  - Tax exemptions for all foreigners coming to Brazil to work on activities related to the competition.
  - Security: measures necessary to guarantee the safety of members of the Fifa delegation and associated bodies, players, referees, employees of participating companies, journalists and supporters.
  - Commercial rights to exploiting Fifa's copyright and protection against disguised marketing.
  - Availability of extensive infrastructure for suitable telecommunication.

### ***Guidelines for government actions in support of the 2014 World Cup***

- Investments must contribute to solving structural problems in cities and also facilitate movement between airports, bus stations, stadiums and hotel districts.
- Stadium renovation and construction projects will be monitored by the Federal Government, but these projects shall be carried out by private sector initiatives.

## ***What the Federal Government's Sports policy consists of***

Five branches organize Brazilian public policies for Sport: 1) development of infrastructure; 2) social inclusion; 3) types of sports with high-level returns; 4) football organization and 5) preparation for big events. Support for the World Cup and for Rio de Janeiro's application to host the Olympic Games in 2016, the Stimulus for Sports Law (2006) and programmes such as the Athlete-Scholarship and "Second Half" complement the strategy to encourage the practice and promotion of sport in its social, economical and cultural aspects. **More information: [www.esporte.gov.br](http://www.esporte.gov.br).**

# HOUSING

## ***“Minha Casa, Minha Vida” (“My House, My Life”) finances more than 18,000 homes***

Up to July 10th, 2009, 18,687 living units have been financed, 15,250 of those for legal entities and 3,437 for private individuals, involving a total of R\$1.26 billion. Of the total number of contracts, 20.3% are with families who have household incomes from 0-3 minimum wages (MW); 55.1% with families with household incomes from 3-6 MW; and 24.6% with families with household incomes from 6-10 MW. Construction companies have submitted 763 business proposals for 145,680 units involving an investment of R\$8.97 billion. Contracts have been signed for 134 of these projects, involving R\$1 billion. By July, 2009, 25 states, 776 municipalities and the Federal District had formally joined the Programme.

## ***Housing demand generates more supply of credit***

- In 2009 (January-June) 351,541 housing finance agreements were signed, involving a total of R\$17.5 billion – an increase of 191% compared to the same period in 2008. Of the total amount, R\$9.2 billion come from the Sistema Brasileiro de Poupança e Empréstimo – SBPE (Brazilian Savings and Loan System), R\$7.7 billion from the FGTS and R\$0.6 billion from other sources<sup>1</sup>. In the last 12 months, R\$32 billion have been invested.
- Savings accounts, which are the source of the SBPE funds, had a net income (deposits less withdrawals) of R\$2.1 billion in June, 2009, reversing the negative picture of the international economic crisis.

## ***Changes in the FGTS to implement “My House My Life”***

- The Fund guidelines have been brought into line with the “My House my Life” Programme by the Board of Trustees of the FGTS with the aim of ensuring: accumulated application of subsidies with a discount of the Fund for low-income housing and the adoption of equal treatment in dealing with low income families who will benefit from the Programme.

## ***Fundo Nacional de Habitação de Interesse Social – FNHIS (National Fund for Social Housing)***

- The FNHIS is part of the Sistema Nacional de Habitação de Interesse Social – SNHIS (National System for Social Housing) and its main goal is to implement policies and programmes that promote access to decent housing for low-income people.
- In 2009, the FNHIS will spend R\$1.5 billion to benefit approximately 90,000 families.

## ***Housing deficit in Brazil falls by 21%***

- A study shows that the Brazilian housing deficit in 2007 is 6.2 million living units: a 21% drop compared to the deficit in 2006 (7.9 million new units).
- The data have been provided by the study “Housing Deficit in Brazil – 2007” based on IBGE figures. It was drawn up by a partnership of the Ministry for Cities and the João Pinheiro Foundation<sup>2</sup>.

## ***What the National System for Social Housing (SNHIS) consists of***

The SNHIS aims to integrate housing policies for low-income earners at the three levels of government and guarantee social control over the application of resources. States and municipalities can have access to FNHIS resources for projects involving urban land regulation, construction of houses and housing planning from the Ministry for Cities. **More information: [www.cidades.gov.br/secretarias-nacionais/secretaria-de-habitacao](http://www.cidades.gov.br/secretarias-nacionais/secretaria-de-habitacao).**

1 Fundo de Desenvolvimento Social (FDS) e Fundo de Arrendamento Residencial (FAR) – (Social Development Fund and Fund for Residential Leases).

2. See the study at: [www.cidades.gov.br/secretarias-nacionais/secretaria-de-habitacao/biblioteca/publicacoes-e-artigos/Deficit%20-%202006%2006-05-2008.pdf/view?searchterm=Deficit%20habitacional](http://www.cidades.gov.br/secretarias-nacionais/secretaria-de-habitacao/biblioteca/publicacoes-e-artigos/Deficit%20-%202006%2006-05-2008.pdf/view?searchterm=Deficit%20habitacional).

# YOUTH – PROJOVEM

## The first classes of the Projovem Worker 2009 begin

This part of the Programa Nacional de Inclusão de Jovens – Projovem (National Programme for the Inclusion of Young People) aimed at entry into the labour market, began its classes at the end of June, 2009. This year, it is expected that 188,000 young people will attend classes.

### Projovem Worker

- Projovem Worker is starting classes from June to August in more than 50 towns and 20 states<sup>1</sup>. Students receive a scholarship of R\$100 every month.
- The course prepares young people for the labour market and for alternative occupations that can generate income. The programme, which lasts 600 hours, offers vocational training, human development and remedial teaching.

### Teenage Projovem

- Contributes to returning to school teenagers from 15-17 years old who have left school and are members of families receiving the Family Cash Transfer, participants in Programme to Eradicate Child Labour, in programmes to combat sexual exploitation and abuse, young people who are leaving or are still in the care of protection measures of the Statute of the Child and Adolescent. It offers social and educational activities for 24 months and up to two more benefits of R\$30 for each family (according to the rules of the Family Cash Transfer Programme).
- In 2009, 600,000 vacancies have been made available to municipalities. Of these, 397,000 have already been taken up, according to the following table. R\$312 million will be invested in 2009.
- By the end of the year, the 202,000 vacancies remaining<sup>2</sup> will be taken up.

### Teenage Projovem – Young people attended to, by state (July, 2009)

| UF | NUMBER OF CLASSES | NUMBER OF YOUNG PEOPLE | UF            | NUMBER OF CLASSES | NUMBER OF YOUNG PEOPLE |
|----|-------------------|------------------------|---------------|-------------------|------------------------|
| AC | 51                | 1,275                  | PB            | 955               | 23,875                 |
| AL | 479               | 11,975                 | PE            | 1,316             | 32,900                 |
| AM | 280               | 7,000                  | PI            | 639               | 15,975                 |
| AP | 33                | 825                    | PR            | 399               | 9,975                  |
| BA | 1,909             | 47,725                 | RJ            | 1,492             | 37,300                 |
| CE | 1,654             | 41,350                 | RN            | 706               | 17,650                 |
| DF | 150               | 3,750                  | RO            | 74                | 1,850                  |
| ES | 104               | 2,600                  | RR            | 34                | 850                    |
| GO | 322               | 8,050                  | RS            | 181               | 4,525                  |
| MA | 1,596             | 39,900                 | SC            | 48                | 1,200                  |
| MG | 1,168             | 29,200                 | SE            | 243               | 6,075                  |
| MS | 199               | 4,975                  | SP            | 589               | 14,725                 |
| MT | 191               | 4,775                  | TO            | 97                | 2,425                  |
| PA | 971               | 24,275                 | <b>Total:</b> | <b>15.880</b>     | <b>397,000</b>         |

### Urban Prison Projovem

- Urban Prison Projovem – a component of Urban Projovem – offers vocational and social educational courses to young people in prison.
- 560 vacancies are predicted for the second half of 2009, distributed in AC, PA and RJ. The first classes are scheduled for August 3<sup>rd</sup> 2009.

### What Projovem consists of

The National Programme for the Inclusion of Young People aims to increase levels of schooling, professional training and human development (culture, sports, leisure, digital inclusion and community action), by creating opportunities and guaranteeing rights. It has four categories: Urban, Teenager, Worker and Field. **More information: [www.juventude.gov.br](http://www.juventude.gov.br).**

1 AL, BA, CE, ES, GO, MA, MG, MS, MT, PA, PB, PE, PI, PR, RJ, RO, RS, SC, SP and TO.

2. 162,000 new vacancies and other 40,000 vacancies of 2008 will be distributed.

# “MORE FOOD”

## **The Programme has financed the purchase of more than 11,000 tractors**

Between July, 2008 and May, 2009 the More Food Programme financed the purchase of 11,192 tractors of up to 78hp: 9,378 of these have already been delivered. This volume of sales is greater than those bought through Pronaf in the last 15 years. Of all the tractors produced in Brazil, between January-May, 2009, 61% have been sold through More Food – this means that three out of five tractors produced. The line of credit was created to modernise the infrastructure of family units and increase food production.

## **Jobs in towns and investment in the countryside**

- The programme contributes to maintaining jobs in the tractor industry. Today, around 2,300 jobs are linked to the programme’s production line (tractors up to 78hp), which accounts for 41% of jobs in the sector.
- The nationalisation of components used by tractor factories is encouraged by requiring companies to show a plan which indicates the steps being taken towards gradually purchasing more items and parts of equipment produced in Brazil, measured by the weight and/or value of their components.
- The Pronaf lines of investment came to R\$4 billion for the 2008/2009 harvest – the largest amount in the history of the programme. Resources make genetic improvement possible through the acquisition of stock plants, soil improvement, setting up agroindustries and acquiring machinery and equipment.

## **Technical help is extended**

- Today, more than 23,000 specialists belonging to 459 accredited institutions<sup>1</sup> guarantee assistance to 1.2 million family growers. It is expected that 1,628 Technical Assistance and Rural Extension (ATER) activities<sup>2</sup>, will take place between August, 2009 and December, 2010.
- As a consequence of ATER activities, there has been an increase in production and productivity in the 2008/2009 harvest that ended in June, 2009. On family farms with technical assistance there was an increase of 18.2% in milk productivity, 13.4% in manioc productivity, 9.3% in corn productivity, 8.9% in the productivity of beans, 7.6% in coffee productivity, 6.3% in rice productivity and 5.4% in wheat productivity.

## **Guaranteed Sales**

- O Programa de Aquisição de Alimentos – PAA (The Food Acquisition Programme) has benefited 141,446 family growers in the 2008/2009 harvest. More than R\$500 million have been applied to the various sections of the programme.

## **What the “More Food” Programme consists of**

The “More Food” Programme, launched on July 3rd, 2008, is a line of credit for long term investments intended to support family agriculture that purchases machinery and equipment, and finances actions such as soil improvement, irrigation, plasticulture, storage, genetic improvements, creating orchards and forest agriculture systems. The credit limit for each grower is R\$100,000, which can be paid back in 10 years, with payments starting up to three years after receiving the money, and with interest of 2% a year. The financing plans include projects associated to the production of rice, beans, corn, manioc, wheat, coffee, chestnuts, horticultural products, milk, goats, sheep, pork, chicken and cattle for slaughter. **More information: [www.mda.gov.br](http://www.mda.gov.br).**

1 Federal, state and municipal institutions; non-government organizations; cooperatives and profit-making bodies.

2 Educational and participatory activities to strengthen rural production. There are categories of the ATER which are specific for family growers, settlers, *quilombolas*, fishermen, indigenous people and others.

# THE ENVIRONMENT

## **Brazil now has 304 Conservation Units**

With the creation of four new Conservation Units - UCs, Brazil now has 304 units. Three new Extractive Reservations - Resex have been created in BA, CE and PA and a Natural Monument spread between municipalities in BA, SE and AL. The Natural Monument, first of its kind, is a UC devoted to the preservation of rare, unique or extremely beautiful natural spots, and it can be made up of private properties. The UCs guarantee the preservation and sustainable use of natural resources.

### **New Conservation Units**

- Resex de Cassurubá (BA)<sup>1</sup>: aimed at the conservation of the mangrove ecosystem, it benefits around 300 traditional extractivist families in an area of nearly 100,600 hectares.
- Resex Prainha do Canto Verde (CE)<sup>2</sup>: devoted to the conservation of renewable natural resources and the preservation of traditional culture, restoring the citizenship of extractivist peoples. It benefits around 200 families in an area of 30,000 hectares.
- Ressex Renascer (PA): area of diversified extractive production, such as chestnut, açaí, bacaba and cupuaçu. It benefits around 600 families in an area of 211,741 hectares.
- The São Francisco River Natural Monument (BA, SE and AL): protection and preservation of the biodiversity of bluffs in the *caatinga* [an arid region characterised in part by thorny scrub – trans.], an area of 30,500 hectares.

### **Deforestation decreases in May**

- Deforestation in the Amazon decreased 89% in May 2009, compared with the same month in 2008, according to data from Inpe<sup>3</sup>. The total amount of area deforested was 123 km<sup>2</sup>.

### **Green Arc Group Action stimulates sustainable development (see page 13)**

- In the Green Arc Group Action, producers in the Amazon receive guidance in how to use the forest in an organised way and to produce timber legally.
- The action is part of the Programa de Manejo Florestal Comunitário e Familiar (Community and Family Forest Management Programme), launched on June 5th, 2009, which involves training, technical assistance and financial resources to help those living on river banks, indians, *quilombolas*, settlers and family farms to use the forest in a sustainable manner.

### **Payment for environmental services**

- Sent to the Congress (June 5th, 2009) Bill N° 5,487/09, to establish the National Policy of Payment for Environmental Services.
- Initiatives for the conservation and recuperation of degraded forests in rural areas will be paid for, as well as those located public areas for collective use. Recuperation of degraded areas of agricultural use will also be financed.
- The value of the service to be paid for will be defined for each project and established by the Department of the Treasury. The person requesting it will have to prove registration of the property in the Rural Environmental Register.

### **Campaign against the use of plastic bags**

- A national campaign launched on June 23rd, 2009, with the slogan "Plastic bags are a pain. For us, for the town, for the planet and for the future."
- The initiative aims to stimulate the use of alternatives to carry shopping such as reusable cloth bags and the packaging of rubbish.
- Brazil uses 12 billion plastic bags every year and each Brazilian uses approximately 66 bags each month.<sup>4</sup>

**More information: [www.mma.gov.br](http://www.mma.gov.br).**

1. Municipalities of Caravelas, Alcobaca and Nova Viçosa.

2. Municipality of Beberibe.

3. Using the Deter system (Detaining Deforestation in Real Time). Its view can suffer from the interference of cloud cover which, this year, has been 62% in comparison with 46% in the same period last year.

4. Data from the Brazilian Association of Supermarkets (Abras) and the United Nations Programme for the Environment (Pnuma).

# WOMEN

## **Ombudsman's Office – six years contributing to gender equality**

In June 2009, the Ombudsman's Office of the Secretaria Especial de Política para Mulheres - SPM (Special Secretariat for Policy for Women) celebrated six years of existence. During this period, it has received around 2,000 requests for help. Between January-May 2009, it recorded 195 cases, an average of 39 cases a month. Requests for information about the Maria da Penha Law accounts for 33% of the total, followed by public policies of the SPM (29%) and by complaints (22%) – of these, 35% are related to domestic violence and reports of discrimination (16%).

### **Rights of mothers in prison**

- Sanctioned in May, 2009, Law N° 11,942 assures imprisoned mothers and their newborn babies minimum conditions of assistance. The law guarantees medical monitoring in the pre- and post-natal periods, nurseries and preschool for children up to 7 years old<sup>1</sup>.

### **"Call 180" Women's Aid Centres**

- 139,000 attendances were registered in the period January-May 2009 – an increase of 30.4% compared to the same period in 2008. More requests for information about the Maria da Penha Law were also registered (79,900 attendances) as well as reports of violence (14,800 attendances).
- The profile of women who use this service is made up mainly of black women, from 20-40 years old, married, who have finished or attended part of elementary school.

### **The Maria da Penha Law**

- As at March, 2009, courts to deal with cases of domestic violence have been instituted in all the states and in the Federal District.
- The Programa Nacional de Segurança Pública com Cidadania - Pronasci (National Programme for Public Security with Citizenship) predicts investments of R\$42.5 million between 2008 and 2011 to put to the Maria da Penha Law into practice.
- Effectiveness of the Law<sup>2</sup>: from July-November, 2008, 19,400 protection orders<sup>3</sup> were implemented; 75,829 cases were tried and 150,532 cases are going through the courts.

### **Impacts of the economic crisis on women's lives**

- The study "The economic crisis and the (possible) impacts on women's lives"<sup>4</sup>, released on July 2nd, 2009, identifies impacts of the crisis on men and women in Brazil, through an analysis of the labour market between September, 2008 and April, 2009.
- Conclusions point to an interruption of the feminisation of the working market, with a reduction of positions occupied (-3.1%) in relation to men (-1.6%) and losses in industry (-8.38%). Female workers have been replaced by males in civil construction, and women are working more in sales (88.8%) and services (78.3%). In the rest of the economy, men have lost more formal jobs (580,639) than women (5,237).

## **What the Social Agenda of Rural Female Workers consists of**

Launched in March, 2008, the Programa de Organização Produtiva das Mulheres Rurais (Programme of Productive Organization for Rural Women) aims to strengthen productive organizations of women working in the countryside, stimulating the exchange of information and technical, cultural, organizational, management and sales knowledge. From August, 2009 on, it will be implemented first in the Territories for Citizenship, with the aim of overcoming poverty and social inequalities through strategies for the sustainable development of land. From 2003-2007, the Programa Nacional de Documentação de Trabalhadoras Rurais (National Programme for the Documentation of Rural Workers), which provides basic civil documentation for free, carried out 837 travelling group actions in 1,050 rural municipalities. In this period, more than 546,000 documents were issued. **More information: [www.spmulheres.gov.br](http://www.spmulheres.gov.br)**

1. According to data from the Penitentiary Department (Depen), the female population in prisons in Brazil is 27,700 women, or 6.3% of the total number of prisoners.

2. Data presented during the 3<sup>rd</sup> Day of the Maria da Penha Law, in March, 2009.

3. Examples: restraining orders to leave the house, restriction of visits and determination of alimony payment.

4. Partnership between SPM, Ipea, IBGE and OIT, under the aegis of the Brazil Observatory of Gender Equality.

# PAC – ACCELERATED GROWTH

## **Flood-prevention works benefit 107 municipalities**

The PAC Drainage scheme, launched in June, 2009 plans constructions and installations to remove excess surface and underground water and prevent landslides. R\$4.8 billion will be given to this programme. Main regions: the Santa Catarina coast and the Itajaí Valley (SC), metropolitan regions of Rio de Janeiro, Belo Horizonte, São Paulo and Vitória, and municipalities in MA, PI and CE.

## **Investments are being increased through the Accelerated Growth Programme - PAC**

- Federal Government Investments increased from 0.64% (average from 2004-06) to 1% of GDP in 2008.
- A total of R\$1.14 trillion will be invested in 2,446 actions: R\$646 billion until 2010 and R\$502.2 billion after 2010, in three branches: logistics, energy and social/urban.

## **PAC works press forward in Brazil**

- With 335 initiatives completed, the percentage of concluded actions increased from 11% of the total in December, 2008 to 14% in April, 2009.
- There have been 133 actions in the logistics branch (roads, railways, shipping, airports, waterways and harbours), 186 in the energy branch (generation of electrical power, power lines, gas pipelines, refineries and renewable fuel factories) and 16 in the social and urban branch (“Light for Everybody”).
- 77% of the remaining actions are continuing at an acceptable pace, 7% need attention and 2% are causing concern.

## **Logistical Infrastructure**

- Main actions: construction, upgrading and making dual carriageways of 16,000km of roads; construction of 6,369km of railways, including the southern stretch of the North-South Railway, the Railway of West-East Integration (BA) and the High-Speed Train (RJ-SP-Campinas); enlargement and improvement of 18 harbours and 27 airports.
- Up to May 2009 4,400km of roads, 356km of railways, 91 ships, five airports, three waterways and one harbour had been completed.

## **Energetic Infrastructure**

- Main actions: generation of more than 12,217MW of electrical power; construction of 25,008 km of power lines; setting up the Abreu and Lima Refinery/PE and the premium refineries<sup>1</sup> in MA and CE; construction of 4,074km of gas pipeline; construction of 43 new biodiesel factories, 78 ethanol factories and 117 oil platform support vessels.
- Up to May, 2009, 3,800 additional MW of electrical power; 5,200km of power lines and 1,400 km of gas pipeline had been completed. Five refineries had been modernized, 56 renewable fuel factories were built and 117 platform support vessels were ready.

## **Social and urban Infrastructure**

- Main actions: “Light for Everybody”, underground railways, integration and revitalisation of the São Francisco River, house-building, urbanization of slums and sanitation.
- Main results: more than 2 million electrical power connections made by “Light for Everybody” – the initial target has been achieved; new underground railway station in Recife/PE; Section 3 of the Tiradentes express corridor from São Paulo/SP and the water supply system at Palmeira dos Índios/AL.

1 It processes heavy petroleum, focusing on high quality products and very small quantity of sulfur, with international specifications.

# PAC – CONCLUDED ACTIONS

## *PAC actions at Morro do Alemão and Morro Manguinhos, in RJ*

- Urbanisation, proper housing, improved transport, leisure and income generation have restored the citizenship of inhabitants and help reduce crime.
  - Complexo do Alemão district:
    - » Planned: housing estates, implementation of chairlifts to access the area, public libraries, high schools (including technical-vocational), a music school, nurseries, centres for health, income-generation, psychiatric help, for helping young people, for legal aid, for services, of environmental recovery and land registration.
    - » Concluded in May, 2009: 56 housing units; an income-generation centre which will include a labour mediation programme; and a leisure area with sports court, society football field and squares with play areas for children.
    - » Total investments will be R\$622.9 million by 2010: R\$451.2 million from the Federal Government, R\$145 million from the State Government and R\$26.7 million from the municipality.
  - Complexo de Manguinhos district:
    - » Planned: construction of houses, streets, overpasses and access ways, public lighting, landscaping, areas for sport and leisure, health centres, service posts with police protection, an area for low-cost shops, high schools and occasional schools, nurseries, community centres, youth centres and land registration.
    - » Concluded and handed over in May, 2009: Integrated Health Centre with emergency assistance, ER with 10 rooms and 29 beds, pharmacy, laboratory, water park with two swimming pools (one semi-Olympic and one for children), sports gymnasium and urbanization of nearby areas.
    - » Total investments of R\$368 million by 2010: R\$246.2 million from the Federal Government, R\$98.5 million from the State Government and R\$23.3 million from the municipality.

### ***What the Accelerated Growth Programme – PAC consists of***

PAC is a new model for planning, management and making public investments. It involves public and private infrastructure projects and measures to increase the pace of economic growth. Modernising infrastructure, improving the business environment, stimulating credit and finance, improving public management and raising the quality of life of the population are some of the goals of the PAC. It is also an instrument for social inclusion and reducing regional inequalities. Its actions and constructions create new jobs which guarantee income and consumption for thousand of workers and their families.

**More information: [www.brasil.gov.br/pac](http://www.brasil.gov.br/pac).**

# FISHING AND AQUACULTURE

## ***New fishing and aquaculture law consolidates policy in the fishing sector***

With Law Nº 11,959, fishermen and aquaculture workers are now considered rural producers with access to credit, and female workers have their rights recognized. Companies that benefit, transform and industrialise fishing products will have access to lines of credit if they acquire raw materials directly from fishermen or their cooperatives. Rules to transfer areas of the Union for fish-farming have been unified, which will make the process faster, without hindering environmental evaluation. The law, which has been in Congress for 14 years, was sanctioned on June 26th, 2009.

## ***Fishermen and aquaculture workers are recognized by Pronaf “Mais Alimentos” (“More Food”)***

- Lines of credit of the Pronaf “Mais Alimentos” have been helping fishermen and aquaculture workers since June 18th, 2009. Finance will have a limit of R\$100,000, the payment deadline will be ten years, repayment deferred for three years, and with interest rates of 2% a year.

## ***Environmental licenses for aquaculture***

- A resolution which cuts down the bureaucracy in the release of environmental licenses for aquaculture has been approved by Conama. The resolution defines the format of licenses for small, medium and large enterprises and gives more security to aquaculture enterprises.

## ***Aquaculture Parks***

- Two official announcements were published on June 4th, 2009 to select fishermen and aquaculture workers to work at the aquaculture Parks at Furnas and Três Marias, in Minas Gerais. The areas will be allocated first to members of traditional communities, receiving aid from social inclusion programmes. The estimated production capacity of the two parks is 135,000 tons per year.
- The aquaculture parks are like farms on water, divided into plots and devoted to fish-breeding. The aim is to develop intensive aquaculture projects (using tanks and nets) to organize the sector and increase the production for the domestic and foreign markets.
- In every region of Brazil, areas will be allocated for the organised development of aquaculture projects. This will result in the democratisation of the use of water belonging to the Union and in creating new jobs, income and social inclusion.

## ***Resources for flood victims***

- Northeastern fishermen and aquaculture workers who have been affected by floods will have R\$100 million available to cover investment and expenses. Debt repayment can be extended for one year and re-financed at the end of the loan.

## ***Government and society***

- The creation of the Fishing and Aquaculture Ministry consolidates the actions of the Government directed at increasing income, structuring the chain of production, catch-planning and encouraging aquaculture. The law to create the Ministry was sanctioned on July 26th, 2009.
- State-level Conferences on Aquaculture and Fishing have taken place from June-July, 2009 in all states. They are in preparation for the 3rd National Conference on Aquaculture and Fishing, which will take place in Brasília in September, 2009, with the theme “Consolidation of a State Policy for Aquaculture and Fishing”.

## ***What the More Fishing and Aquaculture Plan consists of***

The Plan encourages the production of fish in Brazil and establishes goals to be achieved by 2011, such as increasing the consumption of fish from 7kg per year to 9kg per year. Actions include stimulus to breeding in captivity, ocean fishing, consumption and improving the social and working conditions of fishermen. **More information: [www.presidencia.gov.br/seap](http://www.presidencia.gov.br/seap).**

# AGRICULTURAL RESEARCH

## **Technology to produce food while preserving forests**

Embrapa offers technology to producers in the Amazonian region to enable the production of food while preserving the forest, supporting income creation and sustainability. Food, fibre and energy are produced with techniques applied to degraded areas in a socially and environmentally responsible way. See below for some of these technologies.

### **Farming-stockbreeding-forest integration recovers degraded pastures**

- Small, medium and big producers of the North learn about and evaluate systems for farming - stockbreeding - forest integration in a participative way. Twelve reference units<sup>1</sup> are operating in AC, AM, AP, RO, RR and PA.
- These systems of integration – which produce food, fibres and energy in degraded areas that can be legally used – decrease pressure on the forest and have been adopted as part of state programmes to stimulate the recovery and reincorporation of degraded areas into the productive system of this region. Around 12 million hectares in the Amazonian region are eligible to be incorporated into these systems.

### **System reduces fires and intensifies the use of degraded areas**

- Technique of direct planting<sup>2</sup> in cultivation of manioc, caupi beans<sup>3</sup>, corn and rice is transferred to small producers in the meso-region of Northeastern Pará, which contains 49 municipalities.
- The technique known as the Bragantino System allows intensive use of degraded areas with reduced environmental impact, as it permits permanent use of cultivation areas, avoiding the need to set fires to open new areas to agriculture.

### **Good agricultural practices and more productive varieties of crops in Amazonas state**

- Transference of technology for corn, manioc, beans and cupuaçu benefits municipalities in Amazonas. They are: Benjamin Constant, Atalaia do Norte, Tabatinga, Iranduba, Tefé, Alvarães, Rio Preto da Eva and Lábrea.
- In Lábrea<sup>4</sup>, new varieties of caupi beans have been introduced which, with good husbandry, can reach a productivity level of over 1,000 kg/ha. The current average in the region is from 300 to 350 kg/ha on land and 800 kg/ha in the seasonally flooded areas.

### **Training multipliers with socio-environmental responsibility in the Amazon**

- The Núcleo de Responsabilidade Socioambiental – Nures (Nucleus for Social and Environmental Responsibility), in Belém (PA), trains multiplying agents in selective waste collection, waste recycling, production of vegetables and medicinal plants, and that the production of compost, among other skills. Around 400 families have already been trained<sup>5</sup>.

## **What PAC Embrapa consists of**

The Programa de Fortalecimento e Crescimento da Embrapa (Embrapa's Strengthening and Growth Programme) – which aims to re-structure Brazilian agricultural research – contains ten projects (with 141 goals) and receives R\$914 million. Among the goals, 42 are concern the transfer of technology to the productive sector, directed at small producers, and at family-based and traditional agriculture. **More information: [www.embrapa.br](http://www.embrapa.br).**

1. Unit of reference: area where the producer can become familiar with the integration system.

2. Direct planting: this is a system where the straw and plant remains are left on the surface of the soil. This system respects three minimum requirements: the soil is not turned over, ground-covering crops are rotated to form the stubble, and the system is associated with integrated ways of dealing with plagues, diseases and weeds.

3. Caupi beans: typical of the North and Northeast, it is also known as feijão-macassar, feijão de praia or feijão-de-corda.

4. Lábrea is the biggest caupi-bean producer in Amazonas state, with approximately 1,200 producers who cultivate 640 hectares of land which produced 576 tons in the 2007/2008 harvest.

5. Training programmes are carried out with partners, among these is the Comitê de Entidades no Combate à Fome e Pela Vida – Coep (Committee of Bodies to Fight Hunger and for Life).

# PERSONS WITH DISABILITIES

## *An agreement promote the inclusion of persons with disabilities*

Launched in 2007, the National Commitment to the Inclusion of Persons with Disabilities has already received the support of 23 states. The goal of this compromise is to unite the efforts of the Union, states, the Federal District and municipalities to promote actions such as improvements in urban accessibility, finding jobs and access to education, among others.

### *Inclusion in the workforce*

- Around 56,000 persons with disabilities have been included in the workforce (2007-May, 2009) as a result of inspections of the Ministry of Work and Employment (MTE) to guarantee compliance with Law Nº 8,213/91.
- Of these, 3,600 were in the Northern region, 11,200 in the Northeast, 3,500 in the Mid-west, 31,800 in the Southeast and 6,300 in the South.
- Law Nº 8,213/91 determines the minimum number of rehabilitated workers<sup>1</sup> or persons with disabilities that must be hired by companies with more than 100 employees. Companies with up to 200 employees must reserve 2% of their staff for this purpose; from 201-500 employees, 3%; from 501-1,000 employees, 4% and those with more than 1,001 employees, 5%.

### *Technological resources for persons with a visual disability*

- A new technology, Mecdaisy, launched by the Ministry of Education (MEC), allows texts of any format on computers to be transformed into spoken digital texts.
- This tool, available free at the MEC website, enables the digital reading of books and other publications by persons with a visual disability. It has an artificial voice and instructions for use in Brazilian Portuguese.
- It has been developed in partnership with the Electronic Computing Nucleus of the Federal University of Rio de Janeiro (UFRJ) and R\$680,000 have been invested in its creation.

### *National Accessibility Campaign*

- In July 2009, the campaign received new members during the celebration of the first anniversary of the UN Protocol of Conventions on Rights of Persons with Disabilities being ratified by Brazil.
- The Inter-American Institute on Disability and Inclusive Development, the Federal University of Rio de Janeiro, the State University of Rio de Janeiro and the Brazilian Federation of Downs Syndrome Associations, with its 35 affiliates, are now part of the campaign.
- Launched in 2005, the Campaign aims to sensitise the population to combat the obstacles that prevent persons with disabilities or reduced mobility from participating effectively in life in society. Soccer clubs, personalities in sport and the arts, social movements, bodies for the defence of rights and the Executive, Legislature and Judiciary powers have joined this campaign.

## *What the Social Agenda of Inclusion of Persons with Disabilities consists of*

Launched on September 26th, 2007, it aims to guarantee that persons with disabilities have access to public goods and services, eliminating all forms of discrimination and promoting equality of opportunities. The Agenda includes actions within the areas of education, work, health, social assistance, transport, infrastructure and urban initiatives. Around 25 million Brazilians with some kind of disability will be benefited. **More information: [www.direitoshumanos.gov.br](http://www.direitoshumanos.gov.br).**

1. People who, for any reason, have become partially or totally incapable of working, relocated in a new function/activity, being considered eligible to re-join the work force.

# INDIGENOUS PEOPLES

## *A Territory of Indigenous Citizenship is established in Raposa Serra do Sol<sup>1</sup>*

Indigenous communities receive support from the programme to encourage productive activities, as well as citizenship, social development, professional qualification and infrastructure. These activities could start after the guarantee of continuous demarcation of land and the conclusion of the expulsion of farmers and rice-growers of the region. During 2009, R\$24.1 million will be invested.

## *The Alto Rio Negro (AM) Territory of Indigenous Citizenship*

- Public policies defined in the Funai Management Plan of Regional Executive Administration of São Gabriel da Cachoeira (AM)<sup>2</sup> have been adjusted to the specific requirements of communities in the Territory, by means of a workshop that took place in April, 2009.
- The Plan comprises programmes aimed at transportation, production outlets, access to services and creating a structure for tourism.

## *Protection for Indigenous Peoples*

- Studies for the environmental zoning<sup>3</sup> of the indigenous land of the Guarani Kaiowá ethnic group in the region of Dourados (MS) were begun in July, 2009. The first phase entails visits to hamlets, including roadside camps, to map and locate properties, verifying places where there are the remains and a history of traditional occupation<sup>4</sup>.

## *Recently contacted Indians are protected without interference in their culture*

- The Zo'é ethnic group: The Cuminapanema Protection Front of Funai has been working in 11 villages with 245 indians for 13 years. They learn the native language and try to give value to the autonomous social economic structure by preserving the group's culture.
- The Marunbo, Matis and Kanamary ethnic groups: in June, 2009 indigenous leaders and representatives of Funai established an agreement for neighbouring sharing of immediate territories and strategies to protect isolated and recently-contacted indians in the Vale do Javali (RO) Indigenous Territory.

## *Regional Conference on Education*

- Representatives of 15 ethnic groups in the Xingu Indigenous Park participated in the Regional Conference on Education in June, 2009, the only one held in indigenous lands.
- Themes such as public policies to school education for indians and the right to differentiated education were broached.
- The regional conferences are preparations for the I Conferência Nacional de Educação Escolar Indígena - Coneei (1st National Conference of School Education for Indians), scheduled for September, 2009, in Brasília<sup>5</sup>.

## *What the Social Agenda for Indigenous People consists of*

Coordinated by Funai, it brings together actions to guarantee rights, protection of lands, social promotion and quality of life of indigenous people, respecting their specific cultural and territorial needs. The Brazilian indigenous population numbers about 700,000 people who speak more than 180,000 identified languages. The 654 indigenous lands cover 470 municipalities, 12.5% of the national territory and 22% of the Legal Amazon region. There are records of the existence of 63 isolated indigenous people, especially in the Legal Amazon region. **More information: [www.funai.gov.br](http://www.funai.gov.br).**

1. Municipalities of Normandia, Bonfim, Uiramuitã and Pacaraima (RR).

2. A Plan shared with the Federation of Indigenous Organizations of Rio Negro (FOIRN).

3. Includes revision of land demarcation anticipated in Decree N° 1,775/96 and in CF/88.

4. Land surveying is expected to take place in the second fortnight of July, 2009.

5. A initiative of MEC in partnership with Funai, state and municipal secretaries of Education, National Council of Secretaries of Education (Consed) and National Union of Municipal Chairs of Education (Undime).

# SOCIAL SECURITY

## **Formal registration of the individual business person begins**

The programme of formally registering individuals engaged in business began on July 1st, 2009 in the Federal District. The goal is to register a million men and women in the whole of Brazil during the first year of the campaign. Small entrepreneurs who work on their own in the sectors of sales, industry and service and have an annual income of up to R\$36,000 can be registered. They will pay no tax to the Federal Government, R\$1.00 of ICMS to the state and R\$5.00 of ISS to the municipality. They will contribute 11% of a minimum wage (R\$51.15) to the ISS to have the right to the protection of the welfare system: age-related retirement, sickness welfare, maternity salary, pension for dependants after death and benefits for prison inmates. The other states will be gradually brought into the network.

**More information:** [www.portaldoempreendedor.gov.br](http://www.portaldoempreendedor.gov.br).

## **The urban beneficiary already receives information by mail**

- In June 2009, Social Security started to send informative letters to those in urban areas who are approaching retirement age and the entitlement to receive age-related retirement benefits<sup>1</sup>.
- The letter – which is always sent in the month preceding the beneficiaries' birthday – informs them that, when they reach the relevant age and if it is in their interest, they can request retirement by reason of age. The document also informs them of the estimated value of the benefit. The first batch of letters, sent in June, 2009, alerted 1,635 beneficiaries throughout Brazil.

## **Partnership with the 'S' System will rehabilitate professionals**

- In May 2009, a technical cooperation agreement was signed with Senai, Senar and Senat<sup>2</sup> (of the 'S' System) to allow the return to workforce of workers who had been victims of accidents or sickness in the working environment.
- 3,000 vacancies on the various courses offered by these entities will be available from 2009-2011. In 2009, this training or rehabilitation will be provided for 850 workers.

## **Benefit Education Programme - PEP provides information to thousands of Brazilians**

- PEP promotes actions to extend the registration of the population in the Social Security system. It involves activities to make services faster, guarantee convenience to users and inform people about their rights and duties relating Social Security.
- From January, 2009-April, 2009, the programme provided information to 108,200 Brazilians: +322.7% in relation to the first four months of last year, when it reached 25,500 people. By the end of 2009, it is estimated to have reached 425,000 new beneficiaries.

## **Record level of contributions registered in May, 2009**

- R\$14.4 billion were collected in contributions in May, 2009, an increase of 8% in relation to May, 2008 and 1.6% in relation to April, 2009. It is the largest monthly amount since 1995 – when this series of records began – except for the months of December. The other positive aspect of the monthly accounts was the surplus of R\$214.3 million in the urban Social Security funds.
- In 2008, the biggest fall of financing needs (deficit) was recorded since 1995. The deficit was R\$36.2 billion, 17.5% less than R\$43.9 billion projected at the beginning of 2008.

## **What the Social Security Policy consists of**

The Social Security Policy of the Federal Government aims to improve services by reducing queues (implementing Central 135) and time of attendance (retirement in 30 minutes) and by extending access to new beneficiaries (individual entrepreneurs). Measures to improve Social Security management aim to control and reduce the Social Security deficit and guarantee the rights of the citizen. **More information:** [www.previdencia.gov.br](http://www.previdencia.gov.br).

1 The beneficiary must accumulate 180 monthly contributions to the INSS minimum and be 65 years old (men) and 60 (women).

2. Serviço Nacional de Aprendizagem Industrial - Senai (National Service for Industrial Apprenticeship), Serviço Nacional de Aprendizagem Rural - Senar (National Service for Rural Apprenticeship) and the Serviço Nacional de Aprendizagem do Transporte - Senat (National Service for Apprenticeship in Transport Services).

# QUILOMBOLAS<sup>1</sup>

## **The Quilombola Seal strengthens economic development in communities**

The addition of the *Quilombola Seal* to products of an ethnic social and cultural nature produced by black rural communities will promote the historical rescue of methods of production and contribute to the promotion of sustainability of *quilombola* enterprises. It is a stamp of quality which is planned to be launched in November, 2009, with the aim of building a cooperative network to protect production, guaranteeing a fair distribution of income to the families. Eight communities in the far south of Bahia took part, between February and June, 2009 in the management workshop for the application of the *Selo Quilombola* to handmade products made of *piçava*, directly benefiting 400 families. In 2009 this pioneer action will be extended to other *quilombola* communities in the country.

### **Certification**

- 1,342 communities were certified as having been originally *quilombos* by the Palmares Cultural Foundation (FCP), between April, 2004 and June, 2009.

### **Land registration**

- 85 specialist Identification and Delimitation Reports (RTIDs) were published between February, 2005 and June, 2009, totalling 1,289,820 hectares and including 11,107 *quilombola* families.
- 3,928 families benefited from the publication of 44 recognition reports, with 223,384 hectares recognised from December, 2005 to May, 2009.
- 102 titles deeds have been granted to 171 communities in the whole of Brazil since 2002, comprising 955,333 hectares and 10,974 families.

### **Food Security**

- 30 *quilombola* representations have been trained in all regions of Pará to have access to the Food Acquisition Programme (PAA), in order to improve the quality of production and its conditions of sale. Through the PAA, the Government acquires products from family farms for donation or for storage<sup>2</sup>.
- The logistics of distribution of Basic-needs grocery package to *quilombola* communities was the subject of three workshops, in order to improve delivery to families in need<sup>3</sup>.

### **Affirmative action**

- The National Plan for the Implementation of National Curriculum Guidelines to Education in Ethnic-Racial Relations, launched in May, 2009, regulates the teaching of History and Afro-Brazilian and African Cultures in public and private schools<sup>4</sup>.

## **What the Quilombola Social Agenda consists of**

Coordinated by Seppir, it puts into practice assistance policies in the 1,739 remaining *quilombo* communities, located in 330 municipalities of 22 Brazilian states. Among its commitments are overcoming social and racial difficulties, by means of targets and resources provided by the Federal Government to provide access to land, health, education, house-building, electrification, environmental recovery, stimulus to local development and social assistance to *quilombola* families.

**More information: [www.presidencia.gov.br/seppir](http://www.presidencia.gov.br/seppir).**

1 Self-declared ethnic-social groups with their own histories and specific territorial links assumed to be based on black ancestry linked to resistance to the historical oppression their forebears experienced.

2. Action of the MDS and of Conab in partnership with Seppir, MDA and the Cultural Foundation of Palmares, which took place in Belém (PA), in June 2009.

3. June 29th and 30th, 2009, in Belo Horizonte (MG); June 4th and 5th, 2009, in Belém (PA); and May 11th and 12th, 2009, in Curitiba (PR).

4. The subject has been made compulsory by Law N° 10,639/03.

# AGRARIAN REFORM

## **Green Card stimulates sustainable development in settlements**

People settled by agrarian reform policies have access to environmental credit to turn forest products into food, timber, biomass and energy, through an agroforestry system. The Green Card Programme – a type of Setup Credit<sup>1</sup> – will finance, in 24 monthly instalments of R\$100, the planting and conservation of trees in the settlements, including the construction of seedling nurseries. The money will be given directly to the settler families.

## **Environmental Credit will prioritise municipalities with the greatest level of deforestation**

- Priority will be given to 80,000 settlers in 43 municipalities of Amazonas, Maranhão, Mato Grosso, Pará, Rondônia and Roraima, in which 55% of the deforestation of the Amazon is concentrated. These are the same cities where the activities of the Legal Land Green Arc Group Action have begun. See page 13.
- Credit can be extended to other biomes after a study of the results of work in these municipalities and after an evaluation of the degree of environmental vulnerability of the other settlements.

## **More income with standing forest**

- Credit will guarantee the installation of seedling nurseries in the settlements. The seedlings will be chosen taking into consideration a combination of species that produce food, wood, forest products and energy.
- To bring about the large-scale production of these seedlings, the settlers will be encouraged to produce them. Production will supply not only the settlement but also the demand of the region, thus generating income for the beneficiaries of the agrarian reform.

## **The Agroforestry System**

- The settlements included will join a project for an agroforestry system (SAF). A specialist from the Programa de Assessoria Técnica, Social e Ambiental à Reforma Agrária - Ates (Technical, Social and Environmental Assessment Programme) will be responsible for its development.
- The agroforestry system is a technique to recover degraded areas and generate sustainable revenues over time. It introduces annual species in the first years, followed by semi-perennials and perennials and, finally, by tree species. The species and the design of the SAF will be defined by the settler-grower, taking into consideration a study of demand in the region.

## **Settlements in the Legal Amazon**

- Today, there are 2,500 settlements in the Legal Amazon, including traditional types and special ones.
- Settlers in the special projects – such as the Sustainable Development Projects (PDS), Agroforestry Projects (PAF) and Extractive Settlement Projects (PAE) – work with sustainable use, organic production and extractivism to guarantee household income.

## **What the Programme of Agrarian Reform from the Federal Government consists of**

The agrarian reform aims to democratise access to land by creating rural settlements, regulating the occupation of public lands and providing credit and technical assistance. It contributes to increasing food production, in combating deforestation, in the recovery of degraded areas (especially in the Amazon), in reducing conflicts in rural areas and promoting equal opportunities for genders, races and ethnicities. The programmes involve more than one million families in the existing settlements.

**More information: [www.incra.gov.br](http://www.incra.gov.br).**

1. Setup Credit gives initial help to those settled by agrarian reform policies in implementing settlement projects. Categories: Initial Support (R\$3,200); Women Support (R\$2,400); Acquisition of construction materials (R\$10,000); Development (R\$3,200); Development Add-on (R\$3,200); Semi-arid (R\$2,000); Housing Recovery (up to R\$5,000) and Renovation of Production Credit (up to R\$6,000).

# PUBLIC SAFETY – PRONASCI

## **Seven Territórios de Paz (Peace Territories) have been established up to June, 2009**

Up to June, 2009, seven Peace Territories have been established by Pronasci: the Bom Jesus community (Porto Alegre/SC) is the most recent, following Santo Amaro (PE), Complexo do Alemão (RJ), Priority Attendance Zone 5<sup>1</sup> (Rio Branco/AC), Itapoã (DF), São Pedro (Vitória/ES) and Benedito Bentes (Maceió/AL). The initiative involves the simultaneous installation of 20-30 projects to combat crime, promote citizenship activities and more contact between police and the population in the most violent areas. Salvador will inaugurate a Peace Territory on July 22nd, 2009.

## **Giving value to Public Security personnel**

- Every year, 180,000 employees all over Brazil are taking the distance courses of the Ministry of Justice's National Network of Advanced Studies in Public Security.
- Up to June, 2009, 147,988 have received the Training Scholarship of R\$400 per month as a supplement to their salary to encourage further training.
- Until June 2009, 1,040 houses of the Programa de Residencial Arrendamento - PAR (Residential Rent Programme) have been given over to security personnel in AL, RS, MA, BA, CE, PI, RJ, AC, PA, PE and ES.

## **Integrated actions to prevent drugs and violence**

- R\$30 million have been provided up to June, 2009, out of the R\$51 million allotted, to actions involving mobilisation, prevention, treatment and social re-integration. Priority: metropolitan regions of the Federal District and Surroundings, Porto Alegre, Rio de Janeiro, Salvador and Vitória.

## **Pronasi Borders**

- Combats border crimes, such as smuggling, piracy, drug-trafficking and cattle-rustling.
- A total of 61 pickups, 62 motorcycles, 31 cars and 70 computers have been given to the military and civil police and local governments of 31 municipalities in the Southwest of Brazil. Total investment: R\$8.7 million.

## **1<sup>st</sup> National Conference on Public Security (Conseg) – [www.conseg.gov.br](http://www.conseg.gov.br)**

- 126 cities participated in municipal conferences preparatory to the national conference (August 27th to 30th, in Brasília). 18 states have already carried out the state-level stages.
- 22,789 people have participated in 296 open conferences, which also send proposals to Conseg. The result will define the principles and guidelines of a national policy for public safety.

## **Modernisation of penal establishments**

- Up to June, 2009 security equipment has been provided to extend and control security and to suppress violence in penal establishments in 20 states<sup>2</sup>. The electronic kit contains: one X-Ray, six metal detectors for doors and eight portable metal detectors. It costs R\$364,000 each.

## **What Pronasci consists of**

The Programa Nacional de Segurança Pública com Cidadania - Pronasci (National Programme for Public Security with Citizenship) fights crime and violence in metropolitan regions with the highest murder rates, linking security policies with social actions. Main branches: re-structuring the prison system, giving value to the public security worker, combating police corruption and organized crime and involving the community in its activities. 21 states, the Federal District and 97 municipalities belong to Pronasci. Total investment: R\$6.7 billion until 2012. **More information: [www.mj.gov.br/pronasci](http://www.mj.gov.br/pronasci).**

1. A total of nine neighborhoods, including Mauri Sérgio, Santa Inês and the outskirts of Rio Branco (AC).

2. AC, AL, BA, CE, DF, ES, GO, MA, MG, PA, PE, PI, PR, RJ, RN, RS, RO, SE, SP and TO.

# INDIGENOUS HEALTH – FUNASA

## ***Vaccination of elderly people in villages surpasses coverage goal of 2009***

The vaccination campaign against influenza aimed at elderly people, launched at the end of April, 2009, has reached all the 74 villages of Mato Grosso do Sul, in 28 municipalities, supervised by 15 base centres and 31 Funasa multidisciplinary health teams. By the end of May, 3,747 indians had been immunized, 86.9% of the population over 60 years old. The result surpasses the percentage for 2008, which was 83.2% of elderly people vaccinated.

## ***Vaccine coverage advances***

- 90% of children under five years old are up to date with their vaccination calendar. Among non-indigenous children up to 2 years old, this percentage is 75%<sup>1</sup>, while the average national coverage is 81%.
- In 2008, immunization reached 76% of the indigenous population; this year that figure was overtaken by 11 percentage points. The goal is to be as close as possible to reaching 100% by December. For this to be possible, the vaccine will be available to all the indigenous population in the 71 health centres located in the villages and in travelling centres, as part of Funasa's routine activities.

## ***Treated water for the Kumarumã in Amapá***

- Since June 13th, 2009, around 2,000 indians from the Galibi Marworno ethnic group, who live in the Kumarumã village in Oiapoque, have been enjoying their own water supply system.

## ***The Water supply system is expanded in Piauí***

- Inaugurated on June 6th, 2009: construction to expand and repair the supply system in the municipality of Monsenhor Gil (PI) – a partnership between Funasa and the Piauí Water and Sewage Agency. The action benefits 500 families, with investments of around R\$275,000.

## ***Water from wells in villages in Minas Gerais is being monitored***

- The monitoring of all water-supply systems in the 12 indigenous reserves of Minas Gerais was initiated in June, 2009. The first ethnic group to benefit is that of the Xakriabá, in São João das Missões – the biggest in the state, which has approximately 8,500 indians and 22 deep wells.

## ***Pamphlet to combat diseases caused by worms among the Tapeba in Ceará***

- The pamphlet entitled "Infant diarrhoea and diseases caused by worms" was launched by Funasa, with the support of Unicef, on June 3rd, 2009. It contains ideas, vocabulary and illustrations adapted to the culture of the Tapeba indigenous population.

## ***Combating alcoholism among Indians***

- The story of 34 Bororo Indians (MT) who have overcome alcohol dependence was reported at the International Conference on "Traditional Medicine, Interculturality and Mental Health", in Tarapoto (Peru, June, 2009). The experiment is a result of the Projeto Alcoólico Indígena - PAI (Indigenous Alcoholic Project), with methodology that includes therapies and activities developed with participation of the community.

## ***What PAC Funasa consists of***

PAC Funasa is concerned with the implementation of water supply systems, proper sanitary sewage, garbage collection and urban cleansing in municipalities with up to 50,000 inhabitants. The objective is to improve people's living conditions through actions in the area of health prevention in small communities, dispersed rural populations, indigenous areas, forest-dwelling people, quilombolas, agrarian reform settlements and regions of epidemiological interest (with high incidences of malaria and Chagas disease). **More information: [www.funasa.gov.br](http://www.funasa.gov.br).**

1. Investigation of Vaccine Coverage: capitals and the Federal District – 2007. See summary at [www.fiocruz.br/ccs/cgi/cgilua.exe/sys/start.htm?from\\_info\\_index=21&infoid=2573&sid=9](http://www.fiocruz.br/ccs/cgi/cgilua.exe/sys/start.htm?from_info_index=21&infoid=2573&sid=9).

# HEALTH

## ***The Dry Law reduces hospitalisation and traffic fatalities***

The number of people admitted to public hospitals (SUS) because of car accidents decreased by 23% between the second half of 2007 and the second half of 2008 – from 105,904 to 81,359. Deaths caused by car accidents also fell by 22.5% in the same period – from 3,519 to 2,723. The fall in admittances to hospitals represents saving of R\$23.5 million in public resources.

## ***Brazil immunises 81.7% of its elderly people against flu***

- In May, 2009 Brazil immunised 15.8 million people in the 11th National Campaign to Vaccinate the Elderly, reaching 81.5% of the target population aged 60 years or older. R\$162.2 million have been invested to purchase vaccines and construct infrastructure, which has involved 241,000 people.

## ***Cases of dengue fever continue to fall***

- Notifications of the disease diminished by 49.8% in 2009: 361,552 people contracted dengue fever in 2009 (up to June 11th, 2009) compared to 720,000 in the same period of last year.

## ***System of Electronic Refund to the SUS (Sisrel)***

- The system, launched in June, 2009, facilitates the procedure for private health schemes to refund the SUS for admittances and complex operations of privately insured patients in public hospitals. The process has become fast, cheap and effective, with pre-payment and control by a system of sampling.

## ***Telessaúde extends its attendance***

- This system of education and distance assistance, established in 2007, attended more than 100,000 patients between 2008 and 2009, an increase of 180%. It allows health professionals outside major urban centres, to have access to training through videoconferencing and to obtain a second opinion about clinical cases from specialists in all areas over the internet.
- It consists of nine nuclei, 735 centres already operational, 641 municipalities attended to, 2,474 health teams helped, 4,537 tele-attendances<sup>1</sup>, 911 tele-education activities and 102,394 backup examinations. The system had an investment of R\$23 million for the construction of infrastructure and to train professionals in the Family Health teams ([www.telessaudebrasil.org.br](http://www.telessaudebrasil.org.br)).

## ***The People's Pharmacy of Brazil surpasses its target for 2011***

- There are 512 units in 404 municipalities – the initial goal was 500 pharmacies by 2011. The units make 950,000 attendances per day, with 107 medications.
- “Here’s Your People’s Pharmacy”: 7,952 private pharmacies are registered by the SUS in 1,493 municipalities. Goal for 2011: 19,400.

## ***What the “More Health” Programme consists of***

The improvement of the health of Brazilians is the strategic objective of “More Health”. Its guidelines, measures and actions aim at a new standard of development and commitment, together with growth, welfare and equity. Its agenda involves 73 measures and 171 actions in seven branches: Promotion, Attention, Industry, Workforce, Qualification of Management, Participation and Social Control and International Cooperation. **More information:** [bvsms.saude.gov.br/bvs/pacsauade](http://bvsms.saude.gov.br/bvs/pacsauade).

1. The possibility for a health service worker to obtain a second opinion by teleconference.

# TERRITORIES FOR CITIZENSHIP

## Encouragement for reading in rural communities

The "Arca das Letras" (Chest of Letters) Programme built 222 libraries in the municipalities of Territories for Citizenship from January to June, 2009. The action has directly benefited 32,300 families. The Arca das Letras encourages reading and the dissemination of knowledge in communities of rural farmers, people settled by agrarian reform, fishermen, people living along river banks, *quilombolas* and indians.

## Territories in action

- The Federal Government defined an initial set of actions to be implemented in the Lands in 2009. The set of actions comprises the Framework of Federal Actions for 2009.
- This Framework of Actions was presented and discussed in the 120 Territories during the months of March, April and May. Results:
  - Participation of 16,700 people in 229 events.
  - Presentation of the Frameworks of Action of nine state governments, with nine offers of actions to the Territories.
  - Average numbers of participants increased from 58 to 73 in each event compared to 2008.
  - Representation of municipal governments increased from 22% to 32%.
  - Around half the representatives are from civil society.
- The result of the debates which took place during the Framework of Federal Actions will result in the 2009 Executive Plan – shown in terms of actions with goals for each Territory. The Plan will be presented in July, 2009.
- In 2008, in the 60 original Lands, 180 actions were implemented with an investment of R\$9.3 billion.

### **Presentation of the 2009 Framework for Federal Actions Representation and Participation (as at May 2009)**

| <b>Representation</b> | <b>Participants</b> | <b>% participation</b> |
|-----------------------|---------------------|------------------------|
| Federal Government    | 1,364               | 8.2%                   |
| State Government      | 1,868               | 11.2%                  |
| Municipal Government  | 5,317               | 31.8%                  |
| Civil Society         | 8,166               | 48.9%                  |
| <b>Total</b>          | <b>16,715</b>       | <b>100.0%</b>          |

## What the Territories for Citizenship Programme consists of

The programme aims to overcome poverty and generate jobs and income in rural areas through a strategy of sustainable land development that promotes the productive inclusion of poor populations and increased social participation. A Territory is composed of a collection of municipalities with the same environmental and economic characteristics and socio-cultural identity, which facilitates the planning of governmental actions for developing regions. The Programme – launched in 2008 – initially involved 60 Territories and was extended to 120 Territories in 2009. It benefits from the participation of 22 ministries and connected bodies, the partnership of state and municipal governments and organised civil society. **More information: [www.territoriosdacidadania.gov.br](http://www.territoriosdacidadania.gov.br).**

# TOURISM

## **Study evaluates the tourist potential of the 2014 World Cup host cities**

Research by the FGV, commissioned by the Ministry of Tourism, diagnoses the tourist infrastructure of the 2014 World Cup host cities to guide development actions in the sector. The Strategic Proposal for the Organisation of Tourism evaluates structure, services and potential to attract investments and promote Brazil abroad. It was delivered to mayors at the 4th Tourism Salon. See more at: [www.copa2014.turismo.gov.br](http://www.copa2014.turismo.gov.br).

### **4th Tourism Salon – Journeys in Brazil**

- This, the biggest event in the sector in Latin America, took place in São Paulo from July 1st-5th, 2009, with 400 exhibitors and attracted 98,000 people. R\$6 million were invested by the Federal Government.
- “Showcase Brazil”, with family agriculture products, handicrafts, jewellery and clothes, recorded R\$831,100 in sales and the Business Round recorded R\$95 million, 25% more than was estimated.

### **Investments in the 65 ‘taster’ destinations**

- From 2003-2008, 65 municipalities, which are priority areas for tourism, received R\$1 billion for improvements in infrastructure, such as the construction of passenger terminals; access to roads, railways, airports and harbours; refurbishment of historical sites; revitalisation of public squares and tourist installations, construction of museums and schools for training in tourism services. [www.turismo.gov.br/mtur/opencms/turismo/programas\\_acoes/regionalizacao\\_turismo/65destinos.html](http://www.turismo.gov.br/mtur/opencms/turismo/programas_acoes/regionalizacao_turismo/65destinos.html)
- Of the total, R\$597 million were invested in the Northeast, R\$186 million in the North, R\$90 million in the Mid-west, R\$86 million in the Southeast and R\$56 million in the South.
- The host cities for the 2014 World Cup are among the municipalities included: Belo Horizonte, Brasília, Cuiabá, Curitiba, Fortaleza, Manaus, Natal, Porto Alegre, Recife, Rio de Janeiro, Salvador and São Paulo.

### **Revitalisation of the Port Area of Rio de Janeiro**

- The first stage of construction, which will take two years, began on June 23rd, 2009. It is one of the main enterprises linked to the 2014 World Cup in Rio de Janeiro.
- Proposed constructions: re-designing road systems; constructing 499 houses along with the refurbishment of old and under-used properties; setting up the Pinacoteca (Art Gallery) and the Museum of Tomorrow, among other projects.
- There will be an investment of R\$359 million from Prodetur<sup>1</sup> and R\$79 million financed by the Rio de Janeiro City Administration, the Caixa Federal and the private sector.

### **Special Line of Credit for Businesses**

- The Giro Setorial Turismo (Tourism Sector Working Capital), a line of credit offered by the Caixa Federal to provide working capital for companies in the tourist sector, has been started with R\$200 million from the Fundo de Amparo ao Trabalhador - FAT (Workers’ Aid Fund).
- The limit per company is R\$5 million, which must be paid in three years maximum, payments due after 18 months. Companies promise to create or maintain jobs and must be properly registered in the Cadastur<sup>2</sup>.

## **What the Tourism National Plan of consists of**

The National Tourism Plan, launched in June, 2007, aims to stimulate travel in the internal market, create 1.7 million jobs and develop 65 destinations which encourage regional development with international quality standards. By 2010, R\$5.63 billion will have been invested in infrastructure and R\$1 billion in the promotion of Tourist destinations in Brazil and abroad. **More information: [www.turismo.gov.br](http://www.turismo.gov.br).**

1. Tourism Development Programme: a partnership between the Ministry of Tourism and the Inter-American Development Bank (IDB). It finances projects for Brazilian states and municipalities with more than one million inhabitants.  
2. A system operated by the Ministry of Tourism which identifies service providers in the sector in Brazil.

Electronic version:



**[www.presidencia.gov.br](http://www.presidencia.gov.br)** or **[www.brasil.gov.br](http://www.brasil.gov.br)**

To receive HIGHLIGHTS by e-mail, send a message to:

**[destaques.secom@planalto.gov.br](mailto:destaques.secom@planalto.gov.br)** with the word "incluir" in the Subject Field.

# 3

## UPDATES

# BRAZIL AND THE FINANCIAL CRISIS

## *Confidence in overcoming the crisis increases*

The global crisis is not yet over, but the worst may have passed. The fact of American banks having stabilised their losses, together with recent actions taken by the G20 and the American government, has increased general confidence. A large amount of money from the American Federal Reserve Bank and from other governments signals an increase in financial flow. Credit in the world market, however, is still scarce and recovering slowly

## *A long way to go before the recovery of the global economy*

- Predictions for a severe world recession in 2009, with an increase in unemployment and a decline in global commerce are predominant.
- The crisis may not last as long in Brazil and it offers significant opportunities for emerging countries.

## *The impacts of the crisis in Brazil*

- A marked slow-down during the last three months of 2008 and a weak performance during the first three months of 2009, especially in industry.
- Since March, 2009 the economy has been showing its first signs of recovery.
- Brazil's economic policy has lessened the impacts of the crisis and helps the economy recover.

## *Brazil confronts the crisis*

- In previous crisis, our weakness led us to adopt economic measures that worsened the general situation of the country: an increase in interest rates (to prevent the flight of capital), in the national debt, and of the primary surplus; a cut in current investment and expenditure, with an increase in unemployment rates and economic instability.
- Because of its favourable situation prior to the crisis, Brazil was able to take anti-cyclical measures in order to break this vicious circle (see all the measures taken on page 66):
  - Measures taken to improve liquidity and to guarantee credit: use of part of the reserves in order to finance exports; reduction in compulsory deposits by banks; auction of dollars and currency swaps with other central banks; cuts in basic interest rate.
  - Measures taken for sectors to maintain economic activity: tax reductions (the motor industry, white goods and construction materials); the Minha Casa Minha Vida (My House My Life) programme to finance a million houses; better financing conditions for agriculture; more resources for the shipbuilding industry; the input of R\$100 billion to the BNDES; keeping up investments (PAC).
  - Measures taken to maintain the consumption level of families: increasing the scope of social programmes (Bolsa Familia), two extra payments of the unemployment benefit and credit.

## *Signs of recovery*

- Six-monthly record in automobile sales (1.5 million units).
- Construction material sales increased by 4.5% in May, 2009 in comparison to sales in May, 2008.
- Better consumer confidence levels (June was the fourth consecutive month of growth).
- 37% increase in the Bovespa index during the first six months. The best six months since 1999.
- Increase in the price of commodities.

## *Prospects for 2009*

Predictions indicate that Brazil will see slow economic growth during the first six months and an acceleration during the second six months, reduction in the deficit of bank accounts, stability in the international reserves, a positive capital flow, the creation of job opportunities and the recovery of credit expansion. **More information:** [www.fazenda.gov.br](http://www.fazenda.gov.br) and [www.bcb.gov.br](http://www.bcb.gov.br).

# CREDIT

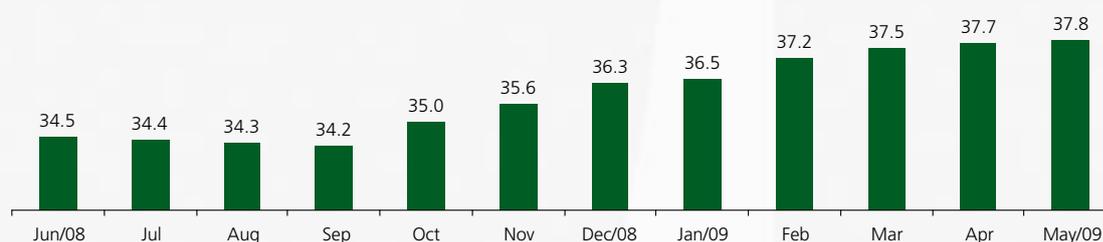
## **Public banks increase their share of the total amount of credit granted**

Public banks have been efficient instruments for anti-cyclical measures and economic policy. Since September, 2008 when the financial crisis worsened, their share of the total amount of credit granted has increased from 34.2% to 37.8% (+ 3.6 p.p). Credit granting has reached its pre-crisis levels.

### **Public credit grows**

- Public banks have increased their share of the country's national credit portfolio from 34.5% to 37.8% during the period May, 2008 to May, 2009. National and foreign private banks are, at the moment, participating with a total of 41.9% and 20.3%, respectively.

#### **Participation of public banks in the credit offered by the National Cup Finance System**



- Disbursements of all BNDES lines of credit for company investment reached R\$90.2 billion in the accumulated 12 months ending in May, 2008. In 2009, up until May, R\$31.7 billion were granted, a 16% growth compared to the same period in the previous year.

### **Successive records in credit volume and in the percentage of the GDP**

- The total volume of credit in the financial system reached a total of R\$1.25 trillion in May, 2009 with an increase of 230% from January, 2003 to May, 2009. This is the largest amount since this methodology began to be applied in 1995.
- The relationship between the total amount of credit and GDP is 43% (May, 2009). The largest level since 1995.
- The total non-payment level in credit operations with free resources was 5.5% in May, 2009 (+0.3 p.p. in comparison to April, 2009) and that for private individuals was 8.6% (+0.2 pp).

### **Credit supply for private individuals has increased and interest rates have fallen**

- Operations with free resources entered into by private individuals have increased from R\$88.5 billion (January, 2003) to R\$426.5 billion (May, 2009) +382%.
- Average interest rates for these operations have fallen from 83.6% per annum (January, 2003) to 47.3% per annum (May, 2009).

### **Guided Productive Microcredit is increased**

- Programa Nacional de Microcrédito Produtivo Orientado - PNMPO (National Guided Productive Microcredit Programme): resources have increased threefold in comparison with 2005 (R\$602 million) and 2008 (R\$1.80 billion). During the first three months of 2009 disbursements have totalled R\$479 million.

## **Public banks act in sectors that are not given priority by the private system**

Alongside the growth in participation in the financial system's credit portfolio, public banks have been acting in sectors that are not given much attention by private initiatives: the BNDES in investment; the Banco do Brasil in agriculture, foreign trade and commercial credit; the Caixa Federal, in housing and commercial credit; and the Banco do Nordeste and Banco da Amazônia in regional development.

**More information: [www.fazenda.gov.br/portugues/documentos/2009/p220609.pdf](http://www.fazenda.gov.br/portugues/documentos/2009/p220609.pdf).**

# EMPLOYMENT

## **Best monthly result of the year consolidates the recovery of formal employment**

According to Caged, in May, 2009, 131,557 legally registered jobs were created. This is the best monthly result in 2009 and the fourth consecutive month of growth, which confirms the recovery of employment levels. There has been a general expansion, especially in agriculture, services, civil construction and in commerce. Among the states, São Paulo has once again taken the lead in creating jobs.

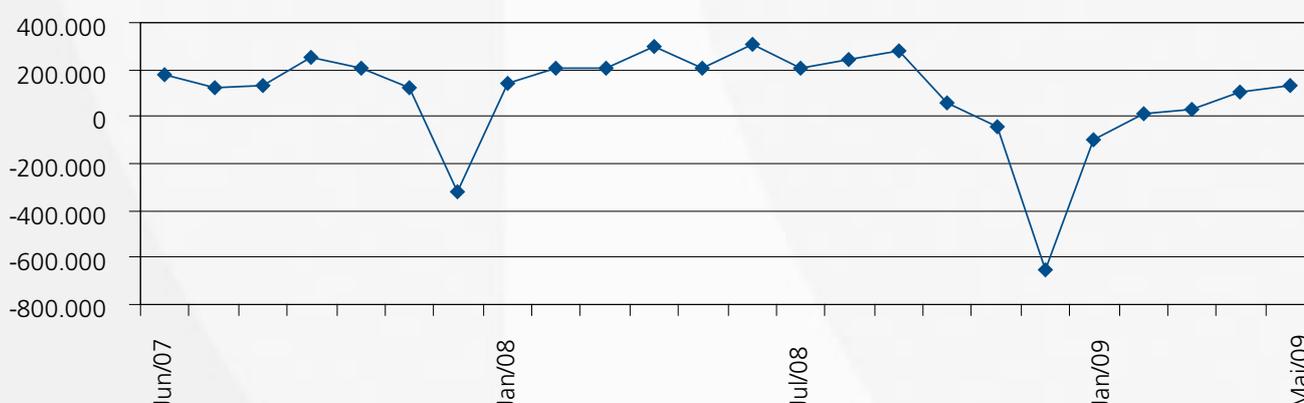
### **Recovery of the losses from January, 2009**

- Recovery in legally registered employment in the months of February (9,179 jobs), March (34,818), April (106,205) and May (131,557) has compensated for the losses sustained in January (-101,748), leading to a positive result of 180,011 jobs in 2009.

### **Employment creation**

- In May, 2009:
  - The sectors that had the best job opportunity creation results in May, 2009 were agriculture (52,927 jobs), services (44,029), civil construction (17,407) and commerce (14,606).
  - The states that achieved the best results were São Paulo, with 44,521 new jobs, Minas Gerais, with 37,518 and Paraná with 11,862.
- During the last 12 months (June, 2009-May, 2009): 580,269 new jobs, a 1.84% growth in comparison to the previous period.

**Formal Employment Total – Brazil – June 2007 to May, 2009**



Source: Caged.

### **13.5 million job opportunities created since January of 2003**

- From January, 2003 to May, 2009, 13,459,215 job opportunities have been created (in both formal and informal occupations)<sup>1</sup>; among those, 10,555,732 are new formal jobs<sup>2</sup>.

### **Unemployment in 2009 is the second lowest in the historical series**

- The average unemployment rate in 2009 for the six regions researched by IBGE – Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo and Porto Alegre – is 8.7%. This is the lowest rate since this set of records began in 2002, second only to the 7.9% observed in 2008.
- In May/09, the unemployment rate was 8.8%.

1. Estimate based on data from Pnad (2003-2007) and from Caged (2008-2009).

2. According to data from Rais (2003-2007 and from Caged (2008-2009). See the following page.

# EMPLOYMENT

## *Development of Formal Employment – Brazil (1995-2009)*

| Year                     | Annual Balance | Balance by Presidential Mandate | Monthly Average by Presidential Mandate |
|--------------------------|----------------|---------------------------------|---|
| <b>1995-1998 period</b>  |                |                                 |   |
| 1995                     | 88,495         | 824,394                         | 17,175                                  |
| 1996                     | 74,576         |                                 |   |
| 1997                     | 274,116        |                                 |   |
| 1998                     | 387,207        |                                 |   |
| <b>1999-2002 period</b>  |                |                                 |   |
| 1999                     | 501,630        | 4,192,277                       | 87,339                                  |
| 2000                     | 1,235,364      |                                 |   |
| 2001                     | 960,985        |                                 |   |
| 2002                     | 1,494,298      |                                 |   |
| <b>2003-2006 period</b>  |                |                                 |   |
| 2003                     | 861,014        | 6,471,336                       | 134,820                                 |
| 2004                     | 1,862,649      |                                 |   |
| 2005                     | 1,831,041      |                                 |   |
| 2006                     | 1,916,632      |                                 |   |
| <b>2007-2009 period*</b> |                |                                 |   |
| 2007                     | 2,452,181      | 4,084,396                       | 140,841                                 |
| 2008                     | 1,452,204      |                                 |   |
| 2009                     | 180,011*       |                                 |   |

\*Until May.

Sources: MTE/RAIS (1995-2007) and Caged (2008 and 2009).

### **What Caged consists of**

The Cadastro Geral de Empregados e Desempregados (General List of the Employed and Unemployed) was created by the Federal Government in 1965. In it, companies register any employment or dismissal of employees as dictated by the Consolidação das Leis do Trabalho – CLT (Consolidation of Labour Laws). This provides a basis for the development of studies, research, projects and programmes connected to the Labour market and it helps decision-making in governmental actions. **More information:** [www.mte.gov.br/caged/default.asp](http://www.mte.gov.br/caged/default.asp).

# EXPORTS

## **Brazilian exports drop during the first six months of 2009, but the balance increases**

The slowdown in world trade, a result of the financial crisis, has negative effects on the performance of Brazilian exports. From January to June, 2009, they amounted to US\$ 69.9 billion – a 22.8% reduction when compared to the first six months of 2008. Imports also show a fall: the US\$ 55.9 billion imported in the first six months of 2009 is 28.9% lower in comparison to the same period of 2008. The balance remains high: US\$ 14 billion in the period – a 23.8% increase.

## **Crisis reduces exports to traditional destinations and increases exports to Asia**

- During the first six months of 2009 there was a marked fall in exports to: the United States (-43.3%), especially of oil, machines and equipment; Mercosul (-40.3%), with a decrease in automobile sales; Eastern Europe (-40.2%), the European Union (-27.2%), Africa (-3.3%) and the Middle East (-1%).
- On the other hand, Brazilian exports to Asia increased by 15.8% (US\$ 18.7 billion) in comparison to the same period last year. The 42.3% increase in exports to China, sustained by iron ore, soy, cellulose and steel, was the main reason for this result.

## **Metal ore exports**

- Exports in the metal ore sector have increased on average by 23% per year, from 2004-2009 (the period from January-May). The share of this sector in all Brazilian exports has increased from 7.4% in 2008 (January-May) to 10.5% in 2009 (January-May).
- The products with the largest growth rate in 2009 (January-May) were iron ore (48.1%) and bauxite (47.2%), compared to the same period last year.
- Between January and May, 2009, the main destinations for the export of the metal ore sector were China (52.5% of the total), Switzerland (12.6%), Japan (7%) and South Korea (4.4%).

### **Growth rate of Brazilian exports in the metal ore sector and its share of the list of exports – January-May (2004-2009)**



Source: Secex/MDIC. Graph developed by Apex-Brasil.

## **Brazil increases its share of global trade and diversifies its commercial partners**

Brazilian exports have increased from US\$ 73.2 billion in 2003 to US\$ 197.9 billion in 2008: a 170% increase. This means that its participation in global trade has increased from 0.99% to 1.39%. This increase was followed by a diversification in countries of destination, with a greater participation of Aladi countries (119%), Africa (31%), Asia (19%) and the Middle East (6%). The USA and the European Union are still important trading partners for Brazil. **More information:** [www.apexbrasil.com.br](http://www.apexbrasil.com.br) and [www.desenvolvimento.gov.br](http://www.desenvolvimento.gov.br).

# INFLUENZA A (H1N1)

## *Further investments for preventive measures against the disease*

With the number of confirmed cases around the world having increased, and with the rise in the WHO Pandemic Alert Level from Phase 5 to Phase 6, the public health system has increased its measures for prevention, preparation and fighting Influenza A (H1N1). On June 21st 2009, an extra R\$129.5 million were allocated to assist in measures being taken to contain the disease. In Brazil, nearly all infected patients have already been discharged or are recuperating.

## *Measures against the pandemic*

- An information network with 24 surveillance centres distributed around the country has been structured. Coordinated by the Ministry of Health and put online via a dedicated system, this network is funded by the states and municipalities and makes it possible for the disease to be detected and monitored, and an adequate response to be made.
- Weekly videoconferences have been conducted, including meetings with partners from Mercosul and Unasul.
- A protocol advising health workers on how to act in cases of severe acute respiratory disease with greater risk of death was created. When necessary, the Health Ministry may send specialist technical teams to provide support in places where suspected or confirmed cases exist.
- Experts in the areas of epidemiological and sanitary surveillance are now giving priority to the collection and conducting of tests for patients with a greater risk of disease associated to Influenza A (or deaths caused by it).
- The country has 9 million units of the specific antiviral medication stocked at Fiocruz.

## *Prevention and communication measures*

- Constant monitoring of ports, airports and borders, increasing vigilance at all points of entry to the country.
- Distribution of fliers with information about the disease during international flights (trilingual, in Portuguese, English and Spanish) and on the roads. Up to now, 4.3 million fliers have been distributed in all Brazilian airports.
- Distribution of 53 informative newsflashes broadcast by 8 television channels until June 30th 2009, and advertising sketches about prevention measures, on radio and on TV, starring the character "Dr. Bacteria".

## *Diagnostic and assistance measures*

- Brazil currently has 66 reference hospital units for attending to and treating patients, with 1,270 beds reserved in them.
- A Diagnostic Network for Influenza has been established in the three specialised national laboratories: Fiocruz, Adolfo Lutz and Evandro Chagas.

## *Information network about the disease*

The Portal Saúde (Health Portal) contains useful information about Influenza A: technical information, frequently asked questions, specialist hospitals, the Brazilian Plan for Dealing with Pandemics, the history of the disease, press notes, and other items. Health professionals have at their disposition the "Notify Here" link, used to notify suspected cases of the disease. The population can look for more information about the disease by calling Disk Health (0800 61 1997). **More information: Portal Saúde – [www.saude.gov.br](http://www.saude.gov.br).**

1. Phase 6 refers to a pandemic, that is, when the propagation of the virus from one person to another happens in at least two countries in different administrative regions of the WHO. The organization divides the world into six administrative regions.

# ZERO HUNGER – CISTERNS

## *Cistern construction programme wins an international prize*

The One Million Cisterns Programme (P1MC) created by the Articulação no Semi-Arido Brasileiro – ASA (Coordination in the Brazilian Semi-arid Region), has received the Premio Sementes 2009, awarded by the United Nations. These cisterns provide water for people who previously had no access to it. Before this programme began, families had to walk great distances to get water and had to store it in cans without any hygiene measures, which led many families to abandon the arid regions. The programme is financed by the Ministério do Desenvolvimento Social e Combate à Fome - MDS (Ministry of Social Development and Hunger Elimination) and is a part of the Zero Hunger programme.

## *Cistern technology is simple and uses the local workforce*

- The cistern is a popular technology for the capture and storage of rain water falling from roofs and then used for human consumption. Families participate in the construction of the cisterns, built with cement blocks, and undergo a course in water resource administration. Each cistern can hold 16,000 litres of water, enough for 8 months during the dry season.
- From 2003 to June 2009, the Federal Government financed the construction of 241,000 cisterns, giving 1.1 million people access to water. R\$373 million were invested.
- In 2008 the Segunda Água (Second Water) programme began; it was developed to create water capture systems for food production. In total, 1,400 units have already been built using the R\$21.5 million Federal Government investment.

## *Projects for food and nutritional guarantee in municipalities*

- 237 projects have been selected after the publication of six official announcements inviting tenders in April, 2009, with a total investment of R\$95.5 million.
- These projects involve the construction of cisterns, public restaurants, community kitchens and food banks, and resources for buying food from family farms, urban agriculture and provide nutritional education for traditional peoples and communities. The projects selected are available at [www.mds.gov.br/editais/san2009](http://www.mds.gov.br/editais/san2009).

## *Programmes and actions of the Zero Hunger initiative*

The Family Credit Transfer, the Food Acquisition Programme, Cisterns, Public Restaurants, Food Banks, Pronaf, Programa Nacional de Alimentação Escolar and a series of other initiatives administered by various organs of the Federal Government form part of the Zero Hunger strategy. These actions and programmes guarantee citizenship, food and a better quality of life for Brazilians with little or no income. **More information: [www.fomezero.gov.br](http://www.fomezero.gov.br)**



- 1 Articulação no Semi-Árido Brasileiro is a group of civil society organisations that has been working towards the social, economic, political and cultural development of the Brazilian semi-arid region since 1999. It brings together more than 700 bodies such as: Catholic and Evangelical churches, NGOs working in development and environmentalists, rural and urban workers' associations, community associations, trade unions and federations of rural workers. The target of the P1MC is to build a million systems in the semi-arid region.
2. For example: the pavement cistern - captures water running off a paved area of a property, and underwater dams – a kind of wall constructed under the surface of the land to hold back and store rain water running under the earth.

# SUGAR-CANE SECTOR AGREEMENT

## *National tripartite agreement for better working conditions on sugar-cane plantations*

Workers, business representatives, and the Federal Government agreed on the “Compromisso Nacional para Aperfeiçoar as Condições de Trabalho na Cana-de-Açúcar” (National Commitment to Improve working Conditions in Sugar-Cane Fields) on June 25th, 2009. This is a unique agreement that will operate for two years and is a result of a Dialogue Round Table set up in July 2008. It incorporates the country’s entire sugar and alcohol sector and already has the support of over 300 of the 413 refineries in operation.

### **Agreements adopted**

- Companies – whose participation is voluntary – will respect the following practices:
  - Employment Contract: eliminating gangmasters (“gatos”) for contracting workers; using the Sistema Público de Emprego (Public Employment System)<sup>1</sup> for contracting migrant workers;
  - Piecework: increasing the transparency in weighing and paying for cut sugar-cane;
  - Health and Safety: strengthening the Comissão Interna de Prevenção de Acidentes no Trabalho Rural – CIPATR (Internal Commission for Prevention of Rural Working Accidents); providing free Personal Protective Equipment<sup>2</sup> that is suitable and of good quality; collective rest breaks; rehydration measures; workplace exercises; better emergency provision;
  - Free and safe transportation, and immediate support in case of accidents;
  - Suitable housing with means of communication;
  - Feeding: offering free thermal containers (the “marmita”) to guarantee hygienic and hot meals, and also providing tables and chairs for meals.
- The Federal Government shall ensure that the PPE is adequate; progressively increasing services offered by the Public Employment System; promoting literacy and increasing educational provision and professional qualifications, aiming at relocating those workers in the labour market; reinforcing social activities and services in regions from which workers migrate.

### **Overview of employment in sugar-cane fields**

- In 2007, sugar-cane growing employed 519,534 people: 268,432 permanent employees and 251,102 seasonal workers. It is the crop that employs the largest number of rural workers (PNAD, 2007).
- Seasonal workers (especially when the harvest is cut by hand) are generally youngsters with low levels of education who have to deal with various adverse conditions during their work and are threatened with losing their jobs due to the ever-increasing mechanisation of the sugar-cane harvest.

### **Round Table stitches together a National Commitment**

The agreement was the result of a Round Table involving 17 working meetings over a period of 11 months under the coordination of the Secretaria Geral da Presidência da República (General Secretariat of the Office of the President), its main objectives were to make working conditions safer and more dignified, as well as to promote the return to the workplace of unemployed workers who have lost their jobs due to the advances brought by the mechanisation of the sugar-cane harvest. Representative bodies: of the workers - Confederação Nacional dos Trabalhadores na Agricultura – Contag (National Confederation of Agricultural Workers) and Federação dos Empregados Rurais Assalariados do Estado de São Paulo – Feraesp (Federation of Salaried Rural Workers of the State of São Paulo); of the companies: Fórum Nacional Sucroenergético (National Sugar-energy Forum) and União da Agroindústria Canavieira do Estado de São Paulo – Única (Sugar-cane Agroindustry Union of the State of São Paulo); of the government: Secretaria Geral e Casa Civil da Presidência da República (General Secretariat of the Office of the President), MTE, MAPA, MDA, MEC and MDS. The bodies of signing the National Agreement will form the Comissão Nacional de Diálogo e Avaliação do Compromisso Nacional (National Committee for Dialogue and Evaluation of the National Commitment). **More information: [www.presidencia.gov.br/secgeral](http://www.presidencia.gov.br/secgeral).**

1. A network of labour mediation centres run by states, municipalities and trade union centres.

2. The worker’s own equipment used to avoid risks that might threaten his or her health and safety at work

# RELATIONSHIP WITH THE STATES

## *Support for states in the event of natural disasters*

Federal Government measures to help states in fighting natural disasters allow the country to maintain its social and economical development. The authorisation by the Conselho Nacional de Defesa Civil (National Council for Civil Defence) and the Conselho Monetário Nacional (National Monetary Council) for the liberation of an emergency credit line in May, 2009 has enabled the implementation of actions immediately after an emergency has been recognised by municipal and state governments, even before the Federal Government has recognised it. PAC Drenagem allows the use of R\$4.7 billion for preventive and macro-drainage work in 107 municipalities in 18 Brazilian states<sup>1</sup>.

### *Floods in the north and northeast regions*

- Heavy rains affected 13 Brazilian states<sup>2</sup> between February and June, 2009. These states have received R\$655.7 million for use in Civil Defence actions and in repair work on roads and in ports; R\$7.8 million for the acquisition of 157,000 staple food items; and they have received aid donations to the value of R\$37.2 million.
- The states of AM, MT, MS, PA, TO, GO and RO have received R\$72.4 million for use in emergency repair work.

### *Drought in the south of Brazil*

- Agricultural production was the sector most damaged by the drought. Family farms have received R\$940 million for:
  - Renegotiation of Pronaf repayments for the 2008/2009 harvest which are not covered by insurance;
  - Extension of other investment contracts for a further year after the deadline;
  - An emergency credit line of up to R\$2,000 per family, at an interest rate of 0.5% per annum and a repayment deadline of up to two years;
  - Selling corn through the Companhia Nacional de Abastecimento - Conab (National Supply Company) at a minimum price of R\$16.50 per 60kg bag, for animal feed;
  - Furthermore, another R\$471 million are available for paying "Proagro Mais" insurance premiums for the 2008/2009 harvest.
- Agreements signed with 276 municipalities in RS and 108 in SC for the construction of artificial ponds, small dams, cisterns, water delivery systems and artesian wells<sup>4</sup>.
- Inclusion in the PAC of the construction of the Arvorezinha dam in Bagé (RS) – a measure taken to solve the problem of lack of water supply.
- The Federal Government has set out, together with the governors of the region, structural actions for changes in production to help survival in drought conditions – in the last ten years the South has been affected by it seven times.

## *Requirements for responding to emergencies are simplified*

Law N° 11,775/08 regulated by Decree N° 6.663/08 has made it compulsory for the Union to transfer funds to states of the Federation experiencing a state of disaster or emergency, and has reduced from 21 to 4 the number of documents required for making resources available. Federal Government structural actions simplify proceedings for the transfer and speed up the rate of investment. **More information: [www.portalfederativo.gov.br](http://www.portalfederativo.gov.br).**

1. BA, CE, ES, GO, MA, MG, MS, MT, PA, PE, PI, PR, RJ, RR, RS, SC, SP and TO.

2. AC, AL, AM, BA, CE, MA, PA, PB, PE, PI, RN, SC and SE.

3. In municipalities that declared a state of emergency before 13th May, 2009 and which the State Civil Defence had ratified by 15th June.

4. Agreements with town councils depend on the state government sending a plan of work, on the quality of the projects and whether the situation falls within Civil Defence regulations.

# RELATIONSHIP WITH THE MUNICIPALITIES

## **More resources, longer deadlines and less bureaucracy for municipalities**

Laws approved on June 29th, 2009 create conditions for the renegotiation of debts and simplify the procedures for financial allocation. Law Nº 11,960/09 allows town councils to pay their debts to the INSS in instalments. These measures will help about 4,000 town councils, whose total debt adds up to R\$30 billion. Law Nº 11,945/09 facilitates transferring resources through agreements made with the Union

### **Payment of debts to the INSS by instalments**

- Law Nº 11,960/09 allows the renegotiation of debts that have expired by January 31st, 2009, eliminating moratorium and bureaucratic fees and with a 50% reduction in late-payment interest.
- Number of payments: up to 240 months (20 years) for debts concerning social contributions, except those related to insured workers, which are limited to 60 months.
- The minimum number of instalments has been reduced to 60 months as requested by the state capitals. Previously this number was set according to the amount due to be paid, and calculated as 1.5% of the municipality's net income.
- There may be a delay of 6 months for the first payment by towns with populations of less than 50,000, and 3 months for towns with populations over 50,000.
- The Certidão Negativa de Debitos - CND (Certificate of Good Standing) which is conditional on the payment of debts, will be emitted in at most two working days after the payment option is set and will be valid up to 180 days.
- In cases of public emergency, the town council is not required to present the CND in order to receive resources for social assistance, health and education actions.

### **The Union simplifies transfers for the execution of agreements**

- Law Nº 11.945/09 simplifies the transfer of resources and procedures for transfer and finance to town halls, including measures for contracting personnel and negotiating debts.
- Town Halls must be notified about any irregularity up to 45 days prior to registering the problem in the Cadastro Negativo De Debitos (Good Standing Register), during which time they may contest the non-payments and irregularities. While these are being analysed, new agreements may be drawn up.
- Any alteration will be shown in the Cadastro Unico de Convenios- Cauc (Unified Register of Agreements) and other information-checking systems. Federal organs will have up to a year to adapt their systems and procedures.
- The CND will only be required when a new agreement is established or when there is a revision of or addition to one already established. Therefore, municipalities that are in debt to the Union will still receive resources that follow the disbursement timetable previously established in the agreement or contract to transfer funds.
- Whatever their fiscal status, municipalities are able to obtain credit lines from public financial institutions, contracting staff and negotiating debts for up to 6 months starting from the publication of the law; those resources may be granted for up to 18 months.

### **Municipalities receive resources to compensate for the reduction in FPM transfers in 2009**

- Throughout the year the municipalities will receive monthly transfers to provide financial, the sums are equal to those transferred by the Fundo de Participação dos Municípios- FPM (Municipal Participation Fund) in 2008.
- R\$952.8 million have already been transferred for the months from January-May, 2009<sup>3</sup>.[http://www.portalbrasil.net](#)

## **Strengthened municipalities**

With these new laws, the Federal Government guarantees more resources for the municipalities and increases their ability to invest. These measures strengthen Brazilian municipalities and create better opportunities to deal with the economic crisis. **More information: [www.portalfederativo.gov.br](http://www.portalfederativo.gov.br).**

1. Conversion of Provisional Measure Nº 457/09.

2. Conversion of Provisional Measure Nº 451/08.

3. Provisional Measure Nº 462/09.

# PUBLIC MANAGEMENT

## *Efficiency, simplification and better service for the citizen*

A participative, transparent and republican administration is the aim of the plans for improving the public management of the Federal Government. Several measures, listed below, contribute to better quality in the public services offered to the citizen, as well as to the increased competitiveness of the country.

### **Public expenditure – modernisation of the administration system**

- The Portal dos Convênios ([www.convenios.gov.br](http://www.convenios.gov.br)): makes the voluntary transfer of resources to states and municipalities simple and transparent.
- Transparency in terms of expenditure by means of the implementation, on June 1st, 2009, of the Sistema de Cartão de Pagamento (Card Payment System)<sup>1</sup>;
- Adoption of the Estatuto das Pequenas e Micro Empresas (Small and Micro-Enterprise Statute)<sup>2</sup>.
- Electronic auctions: R\$11.4 billion have been saved since 2003. It is a more rational way of buying public goods and reduces average prices, stocks, losses and dependence on suppliers.

### **Processes – simplification and perfecting**

- Strengthening citizens advice centres<sup>3</sup>.
- Foreign Trade Simplification Strategy – integration of the procedures for customs clearance, inspection and cargo movement between federal organs, ports and airports.
- Restructuring the environmental licensing system.

### **Information technology – improving and consolidating communication network**

- Electronic communication and administration instruments: Brazilian free-software portal; the ‘comprasnet’ (purchasing) portal, with digital certificate; the agreements portal; implementation of the travel voucher and daily expenses system with digital certification; the Padrões Brasil e-Gov project, with recommendation for the development of electronic sites; and the e-Ping<sup>4</sup> architecture ([www.governoeletronico.gov.br](http://www.governoeletronico.gov.br)).

### **The Workforce – Focus on the professionalisation of public service**

- New careers in the social and infrastructure areas, restructuring of roles and careers plan, with salary realignment; implementation of the Personnel Development Policy.
- New system for temporary contracts that fulfils the demand for seasonal functions and replaces irregular outsourcing; professionalisation of management functions<sup>5</sup>, giving priority to career civil servants.
- Structuring the social security system and implementing the occupational health system for civil servants.

### **Incentives – institutional performance evaluation**

- These are being regulated: the implementation of performance goals for organisations and for civil servants; dismissal due to inadequate performance<sup>6</sup>; definition of situations where civil servants have conflict of interests; prohibitions come into force after taking up a post and when there is access to privileged information<sup>7</sup>.

## **2009 – National Year of Public Management**

Mobilisation for efficient public management required the creation of the new Public Management Portal ([www.gespublica.gov.br](http://www.gespublica.gov.br)) and for the first national forum dedicated to the National Year of Public Management, beginning on April 30th, 2009, to take place; this was an event that gathered the three areas of government, the three constitutional powers, private enterprise and the third sector. **More information: [www.governoeletronico.gov.br](http://www.governoeletronico.gov.br).**

1 Cardholders give details of each item of expenditure and withdrawals are limited.

2 Specifies that 25% of the budget is spent on contracting small and micro-enterprises in bidding for public contracts and gives them priority where there is a draw in a public auction.

3 Public help service that gathers in one place various bodies and businesses to make the taxpayer's life easier.

4 An interoperability system for Electronic Government that allows information to be exchanged between government bodies and making it available to the public.

5 Defining minimum proportions of posts held by the Grupo Direção e Assessoramento Superiores - DAS (Senior Direction and Advisory Group) to be held by tenured civil servants. Currently, 70% of permanent posts are occupied by tenured civil staff.

6 PLC Nº 248/98, being debated in Congress, controls the evaluation of performance in order to be granted a permanent position in the Civil Service.

7 PL 7.528/06. Being debated in Congress.



Electronic version:



**[www.presidencia.gov.br](http://www.presidencia.gov.br)** or **[www.brasil.gov.br](http://www.brasil.gov.br)**

To receive HIGHLIGHTS by e-mail, send a message to:

**[destaques.secom@planalto.gov.br](mailto:destaques.secom@planalto.gov.br)** with the word "incluir" in the Subject Field.

# 4

## LIBRARY: ARTICLES, LECTURES AND RESEARCH STUDIES

Stay up to date. See also:  
[www.brasil.gov.br/noticias/em\\_questao](http://www.brasil.gov.br/noticias/em_questao)

# THE PRESIDENT AT THE AFRICAN UNION

*Sirte, Libya, 1st July, 2009*

Speech of His Excellency the President of the Republic of Brazil, Luiz Inácio Lula da Silva at the opening ceremony of the 13th Assembly of the African Union.

Your Excellencies Heads of State and of Government,  
Mr Jean Ping, Chair of the Commission of the African Union,  
Invited Officials,  
Ladies and gentlemen participating in the 13th African Union Summit,  
Friends gathered at this table,

I would first like to thank you. It is an honour to attend the highly-respected meetings of the African Union. It is here that the voices of the continent that is the cradle of humanity and is determined to create its own destiny gather strength and unity gain strength and unity.

Brazil greatly appreciates the role of the African Union in promoting peace and democracy in Africa. Above all, we admire the persistence and the (unintelligible) of the accumulated progress and that guides African interests. You do not build a harmonious continent overnight. Consolidating democracy involves a process of evolution. Brazil applauds the growing awareness that the African people are best suited to deal with their own problems and create their own solutions.

Africa shows signs of maturity and attachment to the common values that inspired the leaders of African unity by taking responsibility on itself for carrying out the aims of this organization. We support the healthy involvement of regional African organizations in looking for ways for their members to make progress peacefully. We also know that it is not easy to respect the challenges of peace, stability and safety in the face of conflicts, many of them inherited from colonialism or stirred up by foreign greed. The efforts and initiatives of the African Union in promoting dialogue in mediation processes and peace missions deserve the support of everyone.

Ladies and gentlemen,

I bring to the African nations the friendly greetings of all Brazilians, not only the 66 million who are of African descent or the 7 million Arabs who live in my country. We have inherited from Africa a culture that permeates our language, our bodies, our cuisine, music and religion. It is present in the way in which Brazilians feel and act. The feeling of brotherhood that unites us is genuine and mutual. I still remember the feeling I had when visiting the Island of Gorée in Senegal that was the point of departure to Brazil for thousands of African slaves. That painful past should be a permanent warning to us in terms of the oppression and injustice committed against Africa.

The priority for relations with Africa that my government has decided on is now State policy and goes further than speeches and expressions of sympathy. It is supported by concrete actions. Brazil does not come to Africa to expiate the guilt of a colonial past. Neither do we see Africa as a plentiful reserve of natural riches to be exploited. Brazil wants to be a partner in development projects. We want to share experiences and lessons, and join our forces and abilities with yours.

Only by doing this shall we become actors and not mere victims in changing the present world order. I have personally dedicated myself to this aim. I have made 10 journeys to the African continent and visited more than (unintelligible) countries. Today we have 34 embassies in African countries.

Among the world's capital cities, Brasilia is one of those with the largest number of African embassies. Very soon I hope to see the opening of the African Union's office in our country. The strength of Africa is not only in the immense potential of its natural wealth, it is also found in the diversity and abilities of its people. Each country lives in its own situation and has its own specific characteristics.

# THE PRESIDENT AT THE AFRICAN UNION

Ladies and gentlemen,

We face similar development challenges. Several of the socio-economic questions that cause most problems to this continent also affect Brazil. Combating hunger and poverty, guaranteeing food supplies and fighting for social equality are not questions we only learn about in books. We deal with these subjects in the same way as our African brothers and sisters, based on living experience.

South-South co-operation is at the same time a line of defence and an attack on inequality and distortion, (unintelligible) and on the (unintelligible) that persists in the world order. For this very reason, our cooperation has to be aimed at training people to transfer knowledge by means of sustainable initiatives and respect for local priorities and conditions.

Your Excellencies, Heads of State and of Government,

I am very happy that this Summit has chosen as its central theme the importance of investment in agriculture to create economic growth and guarantee food supplies. I repeat the promise my government has made to help Africa promote its own green revolution. This is why we opened an office in Ghana of Embrapa, the Brazilian Agricultural Research Company that is a worldwide agricultural power. Embrapa can bring about on the African savannahs the same transformation in technology and potential that it achieved on the Brazilian cerrado. This revolution cannot happen without family farms and the creation of jobs and income in the countryside. The Brazilian experience has shown that the productivity of the small farmer and the sustainability of food production are fundamental elements in eradicating hunger. We are investing in agriculture that creates jobs. Agricultural investments that create jobs are the best way to guarantee that our citizens can live with dignity. We cannot consider (unintelligible) without (unintelligible) the social and economic conditions they live in. By generating decent work opportunities we can (unintelligible) their aspects (unintelligible).

Another revolution we can carry out together is that of bioenergy. I never get tired of repeating that the production and consumption of biofuels, within strict social and environmental patterns, will bring benefits at an exponential rate to the countries and peoples of Africa. For this reason I have commissioned studies for installing in Africa a sugar-cane production unit linked to a pilot factory to produce ethanol. Investments in technology and management. Investments in technology and management are also the best ways to face the unfair competition caused by the subsidies that operate in rich countries.

In Mali we are setting up a model cotton-producing farm to train researchers from that country as well as those from Burkina Faso, Chad and Benin as these are the four countries that are suffering most from this predatory competition. Thanks to the agreement we have signed today, we shall be extending this initiative to other African countries. I am convinced that there is no need to be (unintelligible) to show solidarity. My permanent concern is that cooperation with Africa should show great solidarity.

In Maputo we have set up an office of Fiocruz, a world-standard centre for medicines and public health policy. At the end of this year, we shall also open a factory in Mozambique to produce generic and antiretroviral medicines with resources, equipment and technology from Brazil. With the coming inauguration of the Afro-Brazilian University, we shall train 5,000 professional people in the areas of health, agriculture and public administration. Generations of Africans and Brazilians will learn how to build a healthier and more prosperous future for our peoples.

We have supported the ending of the Doha Round as a way of making agriculture an instrument of development. Brazil (incomprehensible) the 4th Round (unintelligible) free of tariffs and taxes on products coming from less developed countries (unintelligible).

Ladies and gentlemen,

In the times we live in, the global financial and economic crisis has revealed the weakness and perverse nature of its international status. This is the time for Africans and Brazilians to work together to propose new patterns of economic and social development. We must develop our new sovereign involvement in the world without resources from outside our countries.

# THE PRESIDENT AT THE AFRICAN UNION

The Second Africa-South America Summit to be held next September in Caracas will be an opportunity to restate our commitment to make our continents a central axis in South-South relations.

My friends,

We live in a time when patterns are being broken. The Washington Consensus has failed. Institutions and people who have always been full of advice for us are now counting the cost of the failure of their policies. For a long time, the rich countries saw us simply as a distant and problematic periphery. Today we are an essential part of the solution of the greatest economic crisis in recent years, a crisis we did not create, a crisis that was born in the heart of world capitalism, brought about by the anarchy of the markets and the irresponsibility of the rulers who did not know how to control them.

The world order is no longer dictated by a few dominant economies. Without the developing countries, it will not be possible to create a new cycle of expansion that combining growth, the fight against hunger and poverty, reducing inequality, preserving the environment and creating a better balance between countries. These must be the priorities on the new international agenda. This is the time to rebuild global institutions on more democratic foundations. We are relying upon Africa to redefine the control of multilateral institutions to make them more representative, legitimate and effective.

At the Financial G-20 we supported the idea of more resources for South-South trade, in particular for trade between the poorest countries. I have personally dedicated myself to making employment and creating job opportunities the central point of discussions. We have too put an end to the perverse conditions that were imposed on developing countries in the past. (Unintelligible) action of emerging countries that belong to the G-20, including those that have recently received a loan from the International Monetary Fund.

Now is the time to promote.... Now is the time to remove the bonds of protectionism and the anomalies which (unintelligible) agricultural trade. We rely upon the support of the African group of countries in the efforts of the G-20 and the WTO to guarantee a fair and balanced result to the negotiations. Our unity is also fundamental in discussions on climate change. It is unacceptable that we should be the main victims of the refusal of the great polluters of the developed world undertake commitments to reducing greenhouse gas emissions.

More than any other continent, Africa recognizes the perverse effects of the remoteness of the authority of the Security Council. It is in the interests of everyone to reform it in order to increase the presence of developing countries, including African ones, among its permanent members.

Ladies and gentlemen Heads of State,

The fact that Africa is one of the priority areas in Brazilian foreign policy is not only due to the strong links that unite us. This decision of my government recognizes above all the enormous potential of this brother-continent and the dynamism of its society. With the creativity of its 800 million inhabitants and its vast and rich territory, Africa has a wonderful future. Important signs of this future it can already be seen today. The fate of Brazil is deeply associated with this continent, as it was in the past. The lesson that (unintelligible) left us is significant. He said: "If you don't like the history someone writes, write your own". And this is what Africa and Brazil are doing, this is what Brazil is doing, and this is what we are doing together.

My dear brother Qaddafi,

My dear delegates,

Guests,

Heads of State.

I could not finish my speech without making one or two important points. First, I would like to ask that the final document of this meeting rejects the coup d'etat that took place last Sunday in Honduras and to demand that the democratically elected President should be returned to his place. Second, at the request of President Chávez, I must extend an invitation for all African presidents to

# THE PRESIDENT AT THE AFRICAN UNION

be in Caracas in September for the Africa-South America meeting.

Third, I would like to propose, as a result of the topic discussed here, that we should hold a meeting in Brazil of Ministers of Agriculture from the whole of Africa so that we may look further into the possibilities of partnership in the agricultural revolution (unintelligible) which Brazil has carried out together with African comrades.

And finally, I would make a plea to our comrade African leaders. Brazil is applying to host the 2016 Olympic Games in competition with Chicago, Tokyo and Madrid and we would like to ask all African presidents who have senior officials in the IOC that, if they could make an advance visit to Rio de Janeiro we would be grateful, and we invite you to come to the Olympics.

Thank you very much

# OIL IN BRAZIL

## Oil discovery – from land to deep waters

Below, in chronological order, are the main oilfield discoveries, from 1939 up to the Pre-Salt.

### Before the creation of Petrobras

- 1939: Campo de Lobato (BA) – 1st oil deposit (the field was not felt to be commercial).
- 1941: Campo de Candeias (BA) – 1st commercial oil field.

### Land discovery phase

- 1954: Creation of Petrobras – production of 2,700 gallons per day (3% of national consumption).
- 1963: Campo de Carmópolis (SE) – discovered in the Sergipe-Alagoas Sedimentary Basin.
- 1968: Campo de Guaricema (SE) – first offshore discovery in Brazil.

### Shallow water discovery phase

- 1974: Campo de Garoupa – discovery of an oil field in the Bacia de Campos.
- 1978: Campo de Juruá (AM) – discovery of a gas field in Alto Amazonas.

### Deep-sea discovery phase

- 1984-1996: Giant Albacora and Marlim fields – Bacia de Campos, Marlim Sul and Marlim Leste, Albacora Leste, Barracuda-Caratinga and Rocador.

### Pre-Salt phase

- July, 2005: First signs of oil are found at the Pre-Salt level in the Parati block – Bacia de Campos.
- July, 2006: A new oil deposit is found in Tupi, Bacia dos Santos. In October the results of the first tests of the well are announced.
- 2007: New light oil deposits found at Bacia de Santos in the fields of Caxaréu, of Pirambu and in the Carioca and Caramba blocks, Analyses of the second well in the Tupi block indicate a recoverable volume of 5-8 billion gallons of oil and natural gas.
- 2008: A new deposit of condensed natural gas found in the Jupiter block; the presence of light oil in the Bem-Te-Vi, Guará, and Iara blocks was confirmed; also, a large deposit of light oil and gas in Júpiter and of light oil in the Parque das Baleias was discovered.
- September, 2008: First oil from the Pre-Salt layer in Campo de Jubarte, at the Bacia de Campos, in Espírito Santo.
- May, 2009 – first oil extraction from Tupi – a record for exploration in ultra-deep waters.

### Evolution of proven oil reserves in Brazil



Source: Petrobras

# METROPOLITAN POVERTY

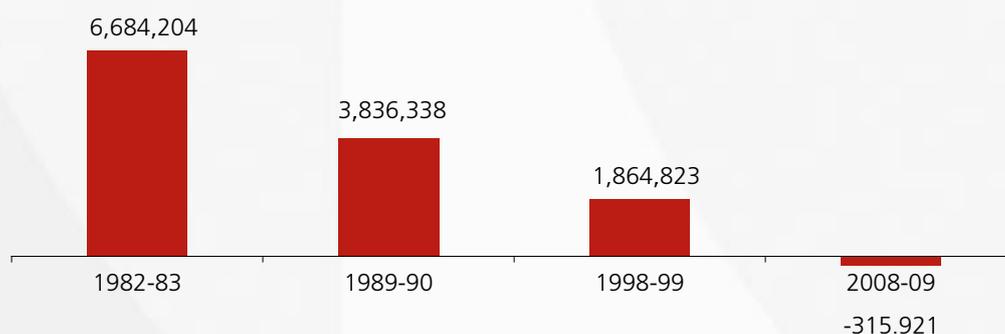
## Poverty is decreasing in metropolitan regions, despite the international crisis

A study led by Ipea<sup>1</sup> shows that despite the economic slowdown caused by the international crisis, poverty has been declining in the main metropolitan regions of the country<sup>2</sup>.

### Results

- Poverty in the six main metropolitan regions of Brazil has tended to decrease since April, 2004.
  - Between March, 2002 and April, 2004, the number of people in poverty had increased by 2.1 million, while between April, 2004 and March, 2009 it has dropped by nearly 4.8 million.
  - Between March, 2002 and April, 2004, the poverty rate increased from 42.5% of the population to 42.7% (+0.5%). In March, 2009 it had dropped to 30.7% (-28.1% compared to April, 2004).
- Up to March, 2009, the international crisis has caused no pause in the tendency for poverty rates to fall.
  - The 30.7% rate in March, 2009 was 1.7% lower than that of March, 2008. During this period the number of people living in poverty fell by 670,000.
  - During the six first months of the crisis (October, 2008 to March, 2009), the number of people in poverty fell by nearly 316,000.
  - Poverty rates among the unemployed have decreased by 2.5% from October, 2008 to March, 2009, which indicates that the problems currently affecting the job market because of the crisis have not reached the segments of society with lower incomes.
- During the last 4 periods of serious economic slowdown (1982-93, 1989-90, 1998-99 and 2008-09) only the last one has not shown an increase in the number of people in poverty, accounting for about 34% of the country's population.
- Possible reasons for the continuing drop in poverty rates in metropolitan regions even with the crisis: a real rise in the minimum wage and a network that guarantees income to the poor.

*Metropolitan Brazil – Variation in the number of people in poverty by selected selected periods of economic slowdown*



### Methodology of the Study

- It uses data from the Pesquisa Mensal do Emprego- PME (Monthly Employment Study) carried out by the IBGE in the metropolitan regions of Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo and Porto Alegre.

1. Ipea – Economic crisis and poverty: what is new in metropolitan Brazil: [www.ipea.gov.br/sites/000/2/publicacoes/notastecnicas/notastecnicas21\[1\].pdf](http://www.ipea.gov.br/sites/000/2/publicacoes/notastecnicas/notastecnicas21[1].pdf)

2. Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo and Porto Alegre.

# A PICTURE OF SOCIETY – COMPARATIVE

A comparison between 2002 and 2007 of selected social indicators from PNAD

| <b>Indicator</b>  | <b>2002</b> | <b>2007<sup>1</sup></b> | <b>Variation (%)</b> |
|---|-------------|-------------------------|----------------------|
| <b>Water supply</b><br>(% of houses)  | 82.0        | 84.3                    | +3                   |
| <b>Sanitary sewage</b><br>(% of houses)   | 46.5        | 52.0                    | +12                  |
| <b>Collected garbage</b><br>(% of houses)   | 84.8        | 88.4                    | +4                   |
| <b>Electrical lighting</b><br>(% of houses)   | 96.7        | 98.5                    | +2                   |
| <b>Telephone</b><br>(% of houses)   | 61.7        | 77.7                    | +26                  |
| <b>Washing machine</b><br>(% of houses)   | 34.0        | 40.0                    | +18                  |
| <b>Television set</b><br>(% of houses)  | 90.0        | 94.8                    | +5                   |
| <b>Personal Computer</b><br>(% of houses)   | 14.2        | 27.0                    | +90                  |
| <b>Personal Computer with internet access</b><br>(% of houses)                                | 10.3        | 20.4                    | +98                  |
| <b>Fertility rate</b><br>(number of children born per woman)                                  | 2.26        | 1.95                    | -14                  |
| <b>Schooling level – 7-14 years old</b><br>(% of the population)                              | 96.9        | 97.7                    | +1                   |
| <b>Literacy rate – over 15 years old</b><br>(% of the population)                             | 11.8        | 9.9                     | -16                  |
| <b>Average numbers of years at school – people over 10 years old</b><br>(% of the population) | 6.3         | 7.0                     | +11                  |
| <b>Unemployment rate</b><br>(% of the population)   | 9.2         | 8.2                     | -11                  |
| <b>Number of contributors to social welfare</b><br>(% of the employed population)             | 45.0        | 51.1                    | +14                  |
| <b>Working children</b><br>(% of people from 5-17 years old who are employed)                 | 12.6        | 10.6                    | -16                  |
| <b>Actual average income of workers</b><br>(R\$)  | 899         | 960                     | +7                   |

1. Data have been harmonised with 2002 (excluding the Northern rural region) to allow comparison. Obs: data referring to 2008 will be announced by IBGE in September, 2009.

# STIMULATING PRODUCTION

## ***New tax exemptions and measures to stimulate the economy are in place***

In June, 2009, the Federal Government announced a series of measures for stimulating production and consumption to accelerate the recovery of the country during the international crisis. Those measures can be seen here. In the first section, the measures adopted in 2008 and 2009 to counteract the effects of the international financial crisis are listed. In the second part, the measures adopted since 2003 to improve the business environment, reduce bureaucracy and increase credit are listed. In the third part, the measures on their way through the National Congress are listed. See also, on page 18, the measures that were aimed at achieving productive development.

## ***1 – Measures to deal with the international financial crisis***

### **I – Tax exemptions**

- Extending the period of exemption of IPI on vehicles, initiated in December, 2008. This increase is valid for three months for vehicles (until September 30th, 2009) gradually returning to its previous levels during the final three months of the year. Estimated amount exempted for 2009: R\$1.4 million (June 29th, 2009).
- Increase in the length of the exemption of IPI on white goods (until October 31st, 2009). Estimated amount exempted for 2009: R\$203 million (June 29th, 2009). Exempted items:
  - Stoves: minus 5 percentage points (p.p.)
  - Refrigerators, minus 10 p.p.
  - Washing machines, minus 10 p.p.
  - Simple washing machines, minus 10 p.p.
- Increase in the length of the exemption of the PIS-Cofins on wheat, wheat-flour and French bread for 18 months (until December 31st, 2010). Estimated amount exempted for the 2009 is R\$192 million (June 29th, 2009).
- Reduction of the Imposto sobre Produtos Industrializados - IPI (Industrialised Products Tax) for white goods (April 17th, 2009) and raising it on cigarettes, in an attempt to compensate for the resulting deficit (March 30th, 2009).
- Reduction of the Imposto sobre Operações Financeiras – IOF (Financial Operations Tax) and of the PIS/Cofins for financing purchases of motorcycles (March 30th, 2009).
- Temporary reduction of the percentage of IPI on popular cars and cars with engines from 1,000-2,000cc. Estimated amount exempted: R\$ 1 billion (December 11th, 2008). Extended to December, 2009.
- New percentages of the Imposto de Renda (Income Tax) of private individuals (7.5% and 22.5%) and a 4.5% readjustment of salary bands. Total: R\$4.9 billion (December 11th, 2008).
- Reduction of the IOF on general consumer credit from 0.0081% per day to 0.0041% per day. Total: R\$2.5 billion (December 11th, 2008).
- Reduction of the IOF on credit, exchange and insurance operations, and on those related to title deeds and real-state values in order to stimulate the supply of foreign currency (Decree N° 6,613/08).

### **II – Measures to improve liquidity and the business environment**

- Law N° 11,908/09 authorizes the Central Bank of Brazil to conduct *swap*<sup>1</sup> operations with the currency of the central banks of other countries; Availability of US\$ 30 billion with the FED<sup>2</sup>, extended from June, 2009 to February, 2010.
- Credit Guarantee Fund: improvement of conditions to help small and medium sized banks (April 23rd, 2009).

1. A Swap is an agreement to trade cash flows in the future.

2. FED: Federal Reserve – the American Central Bank.

# STIMULATING PRODUCTION

- The Exchange Market: auctions of exchange lines have been held to provide liquidity for the market. US\$ 25 billion of liquid dollars injected into the banking system up to May 4th, 2009.
- Reduction of the compulsory bank deposits (October, 2008) and speeding up bank operations.
- Authorisation for the Bank of Brazil and the Caixa Federal to set up subsidiaries and acquire shares in financial institutions (Law No. 11,908/09).
- Authorisation for the Central Bank to make part of its international reserves available for an increase in financing sources for Brazilian companies outside the country (Law N° 1,882/09, Resolutions CMN 3,672/08 and 3,689/09).
- A change in the rediscount line<sup>3</sup> has made it possible to grant loans in foreign currency tied to guarantees also in foreign currency; increased deadline for the liquidation of export exchange contracts; eases the access of institutions with liquidity problems to Central Bank resources (October, 2008).
- Authorisation of loans in foreign currency for the payment of obligations of Brazilian companies and financial institutions (Law N° 11,882/08).
- Change in the way compulsory term deposits are collected (BCB Circulars 3,407/08, 3,411/08, 3,417/08, 3,421/08 and 3,427/08).
- The requirement for a Certidão Negativa de Débito – CND (Certificate of Good Standing) to obtain loans from public banks, has been suspended for six months (MP 451/08).

## III – Incentives for production and investment

- Creation of the “My House, My Life” Programme aiming at creating mechanisms to encourage the production and acquisition of new housing units by families with a monthly income of up to 10 minimum salaries, and who live in any Brazilian municipality. This also applies to the regularisation of deeds to settlement is located in urban areas (Law N° 11,977, July 7th, 2009).
- Credit line from the bank of Brazil for Small and Micro-Enterprises: increase of additional credit lines to R\$11.6 billion (R\$8 billion in the second six months of 2009); and increased credit limit for 303,000 companies (June 29th, 2009).
- Shipping Industry Guarantee Fund: increase in total resources from R\$1 billion to R\$5 billion (resources from the National Treasury). Goal: to ensure credit and the performance of companies (May 13th, 2009).
- New line of credit<sup>4</sup> to guarantee Brazilian exports. The BNDES will operate it (May 13th, 2009).
- “My House, My Life”: Housing subsidy (R\$16 billion from the Union); subsidy from the FGTS (2.5 billion from the Union and R\$7.5 billion from the FGTS); financing infrastructure (R\$5 billion from the Union), Guarantee Fund (R\$2 billion from the Union); financing the chain of production (R\$1 billion from the BNDES (March 25th, 2009).
- Increase in the Petrobras Investment Programme (R\$111 billion in new projects, totalling R\$340.5 billion)
- Alteration in the Revitalize Programme<sup>5</sup>, with better financing conditions (March 13th, 2009).
- Unemployment Insurance: two extra payments for workers who have lost their jobs in sectors with the largest fall in job vacancies (March 24th, 2009).
- BNDES credit lines: better support conditions for acquiring capital goods with the Finame line (such as the increase of financing up to 100% when buying capital goods), increase of the deadline in PEC working capital and pre-boarding lines and increased limits per company (February 10th, 2009).
- Professional Training Grant: new methodology for the payment of the programme (February, 2009).
- Promotion of competitiveness among micro, small and medium companies with improvements of the conditions relating to the BNDES Card: increase in the limit to R\$500,000, reduction of interest rates and increase of the repayment deadline to 48 months (January 29th, 2009).

---

3. Central Bank emergency credits .

4. A line in the Programme for Financing Exports already exists (Proex), but limited to US\$ 1.2 billion in credit guarantees for exports.

5. Support Programme for the Revitalisation of Companies, a BNDES programme.

# STIMULATING PRODUCTION

- Microempreendedor Individual - MEI (Individual Micro-entrepreneur): Alteration of the General Law of Micro and Small Companies and the 'Simple National' [legislation for small companies – trans]; creation of the profession of individual micro-entrepreneur – people whose annual income can be up to R\$36,000 (December 31st, 2008).
- Increase of the finance the limit through the Caixa Federal to R\$25,000 for buying construction materials.
- Increase in the Merchant Marine Fund: an additional R\$10 billion for financing of shipping industry (October 7th, 2008).

## IV – Long term savings account and credit increase

- Reduction of the interest rates of BNDES working capital lines, pre-boarding and bridging-loans. The lines are targeted to the concession of bridging-loans for infrastructure projects. Micro, small and medium companies do not pay the financial mediation charge. Limit per company: R\$200 million. Total time for repayment: 36 months, postponed by 12 months in case of need (May 14th, 2009).
- Reduction of the primary surplus target for 2009: reduction of 0.75% in the Union's target, which excludes Petrobras, and of 0.05% in the targets of states and municipalities. This measure allows for more scope for investment (April 15th, 2009).
- Additional resources for the municipalities: R\$1 billion (April, 2009).
- Bringing forward Fundeb quotas for the states. (April, 2009).
- Opening of additional credit for states: R\$4 billion in the BNDES (April 17th 2009).
- Increased loans from public banks.
- Offering a line of R\$400 million (R\$200 million from the FAT and R\$200 million from the Brazilian Central Bank) for the working capital of used car concessions, if it is guaranteed that there will be no job losses (March 3rd, 2009).
- More resources (R\$100 billion) for the BNDES and passing on a line of R\$5 billion from the World Bank (MP N° 453/09, January, 2009).
- Credit granted to the BNDES of up to R\$3 billion, to be used for opening up credit for working capital of companies contracted by the Federal, state and municipal governments, for carrying out PAC infrastructure works (Law N° 11,908/09).
- Resources of R\$4 billion from bank of Brazil for banks financing motor assembly plants (December, 2008).
- R\$3 billion from the Bank of Brazil to be used for working capital in the car parts sector and for credit operations in property financing (December 19th, 2008).
- Property financing line from the Bank of Brazil and the Caixa Federal for the Union's civil servants (up to R\$4 billion from each institution, November, 2008).
- Permission to apply for up to 5% of savings account deposits into operation of working capital for construction (October, 2008).
- Programmea Especial de Credito – PEC (Special Credit Programme) from the BNDES: new credit line to finance the working capital of Brazilian companies. Budget of R\$6 billion and its operating period is extended until December 31st 2009.

## V – Measures in the agricultural sector

- Harvest Plan 2009/2010 – Total amount of R\$107 billion divided between family agriculture (R\$15 billion) and commercial agriculture (R\$92 billion).
- Creation of a special credit line to the value of R\$1.3 billion for the storage of alcohol (April 16th, 2009).
- Extension of the Price Guarantee for Family Agriculture Programme for Pronaf investment operations from the 2008/2009 harvest onward. Increase in the amount financed by Pronaf Commercialização from R\$2 million to as much as R\$10 million when it is to be used by the central cooperatives (April 24th, 2009).
- Creation of special credit lines for financing working capital for agroindustries, stockbreeding cooperatives and the agricultural machine and implement industry: R\$10 billion (April 16th, 2009).

# STIMULATING PRODUCTION

- Readjustment of minimum prices: soy and coffee (new harvest); manioc, corn and beans (2008/2009 harvest), among others (April, 2009).
- Extension of the deadline for the payment and restructuring of payments to FAT Giro Rural (FAT Rural Working Capital) (March, 2009)
- Extension of the limit for the repayment of the Funcafé Dação to 2020 (January, 2009).
- Prodecoop<sup>6</sup>: increase of resources to R\$2 billion; permission to manage working capital of up to R\$1 billion if not associated with an investment; credit limit of R\$20 million per cooperative and R\$40 million for central cooperatives. Increase of the investment credit limit of up to R\$50 million per cooperative (R\$100 million for central ones), with R\$700 million available (January, 2009).
- Reestablishment of the Procapcred<sup>7</sup> by the BNDES for financing quota-shares by members of cooperatives linked to credit cooperatives (January, 2009).
- Line of R\$500 million for producers in the Mid-west; increase of the Federal Government loan limit (EGF) from R\$10 million to R\$20 million (November, 2008).
- Bringing forward the Bank of Brazil's reimbursements and input of additional resources from various funds (R\$5 billion); increase of directed credit with compulsory deposits (from 25% to 30% - an extra R\$5.5 billion and directing resources from rural savings account towards agriculture (from 65% to 70% - and an extra R\$2.5 billion, October, 2008).
- Extension of the deadline for the renegotiation of debts (after Law N° 11,775/2008).

## 2 – Measures from 2003-2009

### I – Improving the business environment and reducing bureaucracy

- Zonas de Processamento de Exportações – ZPEs (Export Processing Zones, Decree N° 6,814/2009): regulates Law N° 11,508, July 20th, 2007 and applies to the fiscal, monetary and administrative system of the ZPEs.
- Conselho Nacional das Zonas de Processamento de Exportação – CZPE (National Council of Export Processing Zones) Decree N° 6,634/08): regulates the working of the law.
- Turism Sector (Law N° 11,727/08): fiscal measures aimed at stimulating investment and modernisation in the sector.
- Política de Desenvolvimento Produtivo – PDP (Productive Development Policy, Laws Nos. 11,774/08 and 11,786/08): Fiscal and credit incentives for several sectors of the industry.
- Cadastro Nacional de Empresas – CNE<sup>8</sup> (National Register of Companies, November, 2008): connected to the Rede Nacional para Simplificação do Registro e Legalização de Empresas e Negócios – Redesim (National Network for Simplifying the Registration and Legalisation of Companies and Businesses), and means that individual entrepreneurs and trading companies are not required to provide registration information to other trade registration bodies.
- Lei de Registro e Legalização de Empresas and Redesim (Law N° 11,598/07): simplifies the process for registering and legalizing companies.
- Opening of the Mercado de Resseguro (Reinsurance Market) (LCp 126/07): Allows for private reinsurance companies to be created and for foreign ones to operate in Brazil.
- Reformulation of the Sistema de Normas e Demonstrações Contábeis (Law 11.638/07, which alters the law concerning limited companies): translates Brazilian accounting practices into those established according to international norms – IFRS, which significantly increases the responsibility required from those who create or analyse company accounts.
- Creation of the Receita Federal do Brasil (Brazilian Internal Revenue Department) (Law N° 11,457/07): unifies the collection of federal taxes and social security contributions.

6. Prodecoop – Programa de Desenvolvimento Cooperativo para Agregação de Valor à Produção Agropecuária (Cooperative Development Programme for the Value Added to the Agricultural Production).

7. Procapcred – Programa de Capitalização de Cooperativas de Crédito do BNDES (BNDES Capitalisation Programme for Credit Cooperatives).

8. First version of the application – at first only available to public bodies – released by the Ministry of Development, Industry and Foreign Trade – MDIC on December 3rd, 2008.

# STIMULATING PRODUCTION

- More transparency in the charging of bank fees and in the cost of credit (Custo Efetivo Total – CET<sup>9</sup>) (Total Effective Cost) (Resolution CMN 3.516/07, 3.517/07 and 3.518/07): They prohibit charging for essential services; oblige monetary institutions to inform clients of the CET; facilitate cost comparison.
- Implementation of the Sistema Publico de Escrituração Digital – SPED (Public System of Digital Bookkeeping) and Nota Fiscal Eletrônica (Electronic Invoice, Decree N° 6,002/07): less bureaucracy and greater control over collection.
- Lei Geral das Micro e Pequenas Empresas e Simples Nacional (General Law of the Micro and Small Companies and 'Simple National' System, LCp N° 123/06): increases exemptions and simplifies the procedures for the registration and legalisation of companies, public purchases, technological innovation, access to justice and other measures.
- Credit Portability/Registration Information (Res. CMN 3,401/06 and Port. 301/06): Obliges monetary institutions to provide information and credit history to the client or to authorised third parties; it allows the use of information to the benefit of the consumer.
- Compulsory Conta Salário (Salary Account). CMN 3.4002/06): reduces the cost for the client to move the account in which he receives his salary and fuels competition between banking institutions.
- PPP (Law N° 11,079/04 and Decrees 5,385/05 and 5,411/05: creates and regulates general rules for the invitation of bids and contracting a public-private partnership.
- New Bankruptcy Law (N° 11,101/05 and LCp 118/05: Allows for a quick disposal of shares in a bankrupt estate, avoiding losses and without detriment to creditors.
- New model for the electrical sector (Laws Nos. 10,847/04, 10,848/04, 10,871/04 and 11,097/05): creates the Empresa de Pesquisa Energética – EPE (Energy Research Company); legislates on sales; creates careers in regulating agencies and introduces biofuel into the energy system.
- Incentive for Innovation in Research and Technology Laws Nos. 10,973/04 and 11,196/05: Eases cooperation between technological institutions and companies.
- Agência Brasileira de Desenvolvimento Industrial – ABDI (Brazilian Agency for Industrial Development) and the Conselho Nacional de Desenvolvimento Industrial – CNDI (National Council for Industrial Development), Law N° 11,080/04: Formulates and promotes active industrial development policies for the creation of jobs.
- Patrimonio de Afetação<sup>10</sup> [a scheme which separates the balance sheets of the construction company and its ongoing developments – trans] in Property Companies (Law N° 10,931/04): a simplified fiduciary regime protects real-estate corporations against bad administration or fraud; provides greater transparency and legal security.

## II – Rationalisation of the judicial process and of the execution of credit guarantees

- 'Súmula impeditiva' of appeals [restriction of the right to appeal – trans] (Law N° 11/276/06): reinforces the legal system; avoids appeals to adjourn proceedings.
- Execution of extrajudicial titles (Law N° 11,382/06): speeds up and prevents fraud in judicial execution and eliminates the possibility of orders of adjournment.
- Execution of judicial sentence (Law N° 11,232/05): speeds up the imposition of sentences; reduces adjournment procedures.
- Improving chattel mortgage applied to vehicles (Law N° 10,931/04): facilitates the execution of the guarantee; reduces depreciation levels and helps increase credit.

## III – Incentive for long-term savings and increased credit supply

- Pre-fixed interest rates in the financing of the SFH<sup>11</sup> (Law N° 11,434/06): eliminate the obligation to apply the TR – giving a more suitable profile for credit to be used for securing loans and providing the consumer with a contract that has greater predictability.
- Consigned credit for property financing (Decree N° 5,892/06): extends the operation of consigned

9. A calculation that reflects the entirety of charges and costs of credit operations and trading profits.

10. Capacity to answer for financial obligations.

11. Housing Finance System.

# STIMULATING PRODUCTION

credit to include property financing.

- Exemption of Income Tax when moving house (Law Nº 11,196/05): reduces transaction costs and promotes working and liquidity in the market.
- New tax system regime of the Complementary Social Security (Laws Nºs 11,053/04 and 11,196/05: encourages the creation of a long-term savings account. Pension funds exempt from Income Tax.
- ‘Cedula de Credito Bancário<sup>12</sup>, Letra<sup>13</sup> e Cédula de Crédito Imobiliário<sup>14</sup> (Law Nº 10,931/04): improve risk management; they are alternatives for capitalisation for the institutions granting credit; they increase the amount of funds available to the consumer.
- Securitisation of credit titles of originated in agribusiness (Law Nº 11,076/04): they improve risk management and are alternatives for the receipt of private resources for the agricultural sector.
- Payment deducted from the payroll (Law Nº 10,820/03): minimizes risks and reduces the cost of credit to the consumer.

## **3 – Measures passing through the National Congress**

- MP 460/09 – Part of the “My House, My Life” Programme, approved by the Chamber of Deputies and passing through the Senate as ‘Projeto de Lei de Conversão’ [a type of draft law that contains any change proposed to the text of the Provisional Measure being discussed – trans.] (PLV) 12/09.
- MP 462/09 – Shipping Guarantee Fund; currently in the Chamber of Deputies.
- MP 464/09 – Concerns the Guarantee Fund for micro, small and medium companies.
- MP 465/09 – Concession of economic subsidy to the BNDES in financing operations aimed at the acquisition and production of goods and technological innovation; currently passing through the Chamber of Deputies (Congress).
- Draft Law for the regulation of databanks for credit protection – Positive Register (PL 836/03), approved by the Chamber of Deputies (Congress), and is on its way to the Senate for deliberation where it is known as PLC 85/2009: allows the collection of not only ‘negative’, but also ‘positive’ information about companies and individuals.
- Draft Law for the modernisation of the Brazilian System to Defend Competition (3.937/04: Chamber of Deputies – PLC 6/09: Federal Senate): protects the consumer against risks of liquidation and insolvency of companies in these sectors.
- PLP Rural Insurance Catastrophe Fund (374/08 Chamber of Deputies): authorizes private insurance companies to create an Emergency Fund to cover rural insurance operations against climatic effects.
- PEC of Tax Reform (233/08, annexed to 31/07 – Chamber of Deputies): establishes a new division of resources and creates a Federal IVA and a new ICMS [taxes]; standardizes percentages, eliminates accumulation and discourages against the fiscal conflict.
- PL of the regulation agencies (3.337/04, annexed to 2.057/03 – Chamber of Deputies): stability to reduce transaction costs and improve the investment environment.

---

12. The ‘Titulo de Crédito’ is issued by an individual or corporate body in favour of a financial institution or an entity with similar standing, it represents a promise for a payment in cash, as a result of any type of credit operation.

13. Underpinned by property credit guaranteed by mortgage or by chattel mortgage of a property, giving its beneficiaries credit rights for the nominal value, interest rates, and, if it applies, monetary adjustments related to them.

14. Represents property credits.

# ABBREVIATIONS

| <i>Abbreviation</i> | <i>Meaning</i>   |
|---------------------|--|
| a.a.                | Per Year   |
| ABDI                | Brazilian Industrial Development Agency  |
| Abras               | Brazilian Supermarket Association Latin  |
| Aladi               | Latin American Integration Association   |
| Anoreg              | Brazilian Association of Notaries and Registrars   |
| ANP                 | National Oil Agency  |
| ApexBrasil          | Brazilian Agency for the Promotion of Exports and Investments                              |
| Arpen Brasil        | Association of Registrars of People Born in Brazil   |
| ASA                 | Coordination of the Brazilian Semi-Arid Region   |
| Asean               | Association of the Nations of Southeast Asia   |
| Ater                | Technical Assistance and Rural Outreach  |
| Ates                | Technical, Social and Environmental Advisory Programme for Agrarian Reform                 |
| BB                  | Bank of Brazil   |
| BC                  | Central Bank of Brazil   |
| BID                 | Inter-American Development Bank  |
| BNB                 | Bank of the Northeast  |
| BNDES               | National Economic and Social Development Bank  |
| Bovespa             | São Paulo Stock Exchange   |
| Bric                | Group of Countries Made up of: Brazil, Russia, India and China                             |
| CAAS                | Chinese Academy of Agrarian Sciences   |
| Caged               | General Register of Employment and Unemployment  |
| Caixa               | Federal Economic Savings Bank  |
| Cauc                | Single Register of Agreements  |
| CET                 | Total Effective Cost   |
| CGU                 | Comptroller-General of the Union   |
| CIPATR              | Internal Commission for Preventing Accidents at Work in the Countryside                    |
| CLT                 | Consolidation of Labour Laws   |
| CMN                 | National Monetary Council  |
| CND                 | Certificate of Good Standing   |
| CNDI                | National Council for Industrial Development  |
| CNE                 | National Register of Businesses  |
| CNPq                | National Council for Scientific and Technological Development                              |
| Coep                | Committee of Bodies Fighting against Hunger and for Life                                   |
| Cofins              | Contribution to Financing Social Security  |
| Conab               | National Supply Company  |
| Conama              | National Environmental Council   |
| Conanda             | National Council for the Rights of the Child and Adolescent                                |
| Coneei              | National Conference for Indigenous School Education  |
| Conip               | Knowledge, Innovation and Practices concerning Information Technology in Public Management |
| Consed              | National Council of Secretaries of Education   |
| Conseg              | National Conference on Public Safety   |
| Contag              | National Confederation of Agricultural Workers   |
| Coppe-UFRJ          | Coordinating Body of Postgraduate Engineering Programmes - UFRJ                            |

# ABBREVIATIONS

| <i>Abbreviation</i> | <i>Meaning</i>   |
|---------------------|--|
| CPF                 | Register of Private Individuals  |
| CV                  | Horsepower   |
| CZPE                | National Council of Export Processing Zones  |
| DAS                 | (Posts of) Higher-Level Direction and Advisory Functions   |
| Deter               | Detection of Deforestation in Real-Time  |
| Dieese              | Inter-Union Department of Statistics and Socio-Economic Studies  |
| EGF                 | Federal Government Loans   |
| e-Gov               | Electronic Government  |
| Embrapa             | Brazilian Agricultural Research Company  |
| EPE                 | Energy Research Company  |
| EPI                 | Personal Safety Equipment  |
| e-Ping              | Interoperability Pattern for Electronic Government   |
| FAO                 | UN Food and Agriculture Organisation   |
| FAR                 | Fund for Residential Leasing   |
| FAS                 | Fund the Social Development  |
| FAT                 | Workers' Benefit Fund  |
| FBCF                | Gross Formation of Fixed Capital   |
| FCP                 | Palmares Cultural Foundation   |
| FED                 | Federal Reserve – US Central Bank  |
| Feraesp             | Federation of Salaried Rural Workers of the State of São Paulo   |
| FGTS                | Guarantee Fund for Length of Service   |
| FGV                 | Getúlio Vargas Foundation  |
| Fies                | Finance Fund for Students in Higher Education  |
| Fifa                | International Football Federation  |
| Finame              | Financing for Machinery and Equipment  |
| Finem               | Financing for Business   |
| Finep               | Financing Body for Research and Projects   |
| Fiocruz             | Oswaldo Cruz Foundation  |
| FMI                 | International Monetary Fund  |
| FNHIS               | National Fund for Social Housing   |
| FOIRN               | Federation of Indigenous Organisations of the Rio Negro  |
| FPM                 | Municipal Participation Fund   |
| Funai               | Foundation National for Indian Peoples   |
| Funasa              | National Foundation for Health   |
| Funcafé             | Defence Fund for the Coffee Industry   |
| Fundeb              | Fund for the Maintenance and Development of Basic Education and for Enhancing the Value of the Teaching Profession |
| IBGE                | Brazilian Institute of Geography and Statistics  |
| ICMS                | Tax on the Circulation of Goods and Services   |
| Ideb                | Development of Basic Education Index   |
| IDF                 | Family Development Index   |
| IFRS                | International Financial Reporting Standards  |
| INPC                | National Consumer Price Index  |
| Inpe                | National Space Research Institute  |
| INSS                | National Social Security Institute   |

# ABBREVIATIONS

| <i>Abbreviation</i> | <i>Meaning</i>  |
|---------------------|---|
| IOF                 | Tax on Financial Operations                                       |
| IPCA                | General Consumer Price Index                                      |
| Ipea                | Applied Economic Research Institute                               |
| IPI                 | Tax on Industrialised Products                                    |
| ISI                 | Thomson Reuters International                                     |
| IVA-F               | Federal Value Added Tax   |
| LAB-LD              | Anti-Money Laundering Technology Laboratory                       |
| LCp                 | Complementary Law   |
| Libor               | London Interbank Offered Rate                                     |
| MAPA                | Ministry of Agriculture, Stock Breeding and Supply                |
| MCT                 | Ministry of Science and Technology                                |
| MD                  | Ministry Of Defence   |
| MDA                 | Ministry of Agrarian Development                                  |
| MDIC                | Ministry of Development, Industry and Foreign Trade               |
| MDS                 | Ministry of Social Development and the Fight against Hunger       |
| MEC                 | Ministry of Education   |
| MEI                 | Individual Micro-Entrepreneur                                     |
| Mercosul            | Common Market of the South  |
| MinC                | Ministry of Culture   |
| MJ                  | Ministry of Justice   |
| MMA                 | Ministry of the Environment                                       |
| MP                  | Provisional Measure   |
| MPA                 | Ministry of Fishing and Aquaculture                               |
| MPS                 | Ministry of Social Service  |
| MS                  | Ministry of Health  |
| MTE                 | Ministry of Labour and Employment                                 |
| MW                  | Megawatt  |
| Nures               | Nucleus for Socio-Environmental Responsibility                    |
| OBMEP               | Public Schools Mathematics Olympics                               |
| ODP                 | Public Expenditure Observatory                                    |
| OEA                 | Organisation of American States                                   |
| OIT                 | International Labour Organization                                 |
| OMS                 | World Health Organization   |
| ONG                 | Non-Governmental Organization                                     |
| ONU                 | United Nations Organization                                       |
| P1MC                | " One Million Cisterns" Programme                                 |
| PAA                 | Food Acquisition Programme  |
| PAC                 | Accelerated Growth Programme                                      |
| PACTI               | Action Plan for Science, Technology and Innovation 2007-2010      |
| PAE                 | Extractivist Settlement Projects                                  |
| PAF                 | Agroforestry Projects   |
| PAI                 | Indigenous Alcoholic Project                                      |
| PAP                 | Agricultural and Stockbreeding Plan (Entrepreneurial Agriculture) |
| PAR                 | Residential Leasing Programme                                     |

# ABBREVIATIONS

| <i>Abbreviation</i> | <i>Meaning</i>   |
|---------------------|--|
| PAS                 | Sustainable Amazon Plan  |
| PDE                 | Educational Development Plan   |
| PDP                 | Policy for Productive Development  |
| PDS                 | Sustainable Development Projects   |
| PEC                 | Proposal for a Constitutional Amendment  |
| PEC/BNDES           | BNDES Special Credit Programme   |
| Pelc                | Sport and Leisure in the City Programme  |
| PEP                 | Social Welfare Education Programme   |
| PETI                | Programme to Eradicate Child Labour  |
| PIB                 | Gross Domestic Product   |
| Pibid               | Institutional Bursary for New Teachers Programme   |
| PIS                 | Social Integration Programme   |
| PL                  | Draft Law  |
| PlanseQBF           | Family Cash Transfer Sectoral Plan for Job Training  |
| PLP                 | Complementary Draft Law  |
| PLV                 | Draft Law open to Change   |
| PME                 | Monthly Employment Study   |
| PNAD                | National Research by Domestic Sample   |
| Pnaes               | National Programme for Student Aid   |
| PNMPO               | National Programme for Guided Productive Microcredit   |
| PNUMA               | UN Programme for the Environment   |
| p.p.                | Percentage Points  |
| PPP                 | Private-Public Partnership   |
| Prime               | First Incubating Business Programme  |
| Proagro             | Guarantee Programme for Agricultural Activity  |
| Procap Agro         | Capitalisation Programme for Agricultural Cooperatives   |
| Procapcred          | BNDES Credit Capitalisation Programme for Cooperatives   |
| Prodecoop           | Programme for Cooperative Development to Add Value to Agricultural Production                  |
| Prodetur            | Tourism Development Programme  |
| Produsa             | Programme to Encourage Sustainable Production in Agribusiness                                  |
| Proex               | Export Finance Programme   |
| Proext              | University Extension Programme   |
| Proger              | Job and Income Creation Programme  |
| ProInfo             | National Programme for Informatics in Education  |
| ProJovem            | National Programme for the Inclusion of Young People   |
| Pronaf              | National Programme for Supporting Family Agriculture   |
| Pronasci            | National Programme for Public Safety with Citizenship  |
| Prouni              | University for All Programme   |
| Rais                | Annual Report of Social Data   |
| Redesim             | National Network for Simplifying the Registration and Legalisation of Companies and Businesses |
| Resex               | Extractive Reservation   |
| Reuni               | Support Programme for Plans to Restructure and Expand Federal Universities                     |
| Revitaliza          | Programme to Support and Revitalise Business   |

# ABBREVIATIONS

| <i>Abbreviation</i> | <i>Meaning</i>   |
|---------------------|--|
| RG                  | General Register   |
| RTID                | Specialist Reports for Identification and Demarcation                                  |
| S.A.                | Limited Company  |
| SAF                 | Agroforestry System  |
| SBPE                | Brazilian Savings and Loan System  |
| Sebrae              | Brazilian Support Service for Small and Micro-Businesses                               |
| Secex               | Executive Secretariat  |
| SEDH                | Special Secretariat for Human Rights   |
| Selic               | Special System for Liquidation and Custody (Central Bank Fee)                          |
| Senai               | National industrial apprenticeship service   |
| Senar               | National rural apprenticeship service  |
| Senat               | National transport industry apprenticeship service                                     |
| Seppir              | Special Secretariat for Policies and Promotion of Racial Equality                      |
| Sest                | Social Transport Service   |
| SFH                 | Housing Finance System   |
| Sinase              | National System for Socio-Educational Services (for Teenagers in Trouble with the Law) |
| Sipia Web           | Information System for Children and Adolescents  |
| Sisrel              | Electronic System for Refunds to the SUS   |
| SM                  | Minimum Wage   |
| SNHIS               | National System for Social Housing   |
| SPED                | Public System for Digital Bookkeeping  |
| SPM                 | Secretariat for Policies for Women   |
| SUS                 | Single Health System   |
| TCU                 | National Audit Office  |
| TJLP                | Long-Term Interest Rates   |
| TR                  | Prime Rate   |
| UAB                 | The Open University of Brazil  |
| UC                  | Conservation Unit  |
| UFRJ                | Federal University of Rio De Janeiro   |
| Unasul              | Union of South American Nations  |
| Undime              | National Union of Municipal Directors of Education                                     |
| Unesco              | UN Organisation for Education, Science and Culture                                     |
| Unica               | Union of the Sugar Cane Agroindustry   |
| Unicef              | The United Nations Children's Fund   |
| UNODC               | United Nations Office on Drugs and Crime   |
| ZPE                 | Export Processing Zones  |

# HIGHLIGHTS

Actions and Programmes of the Federal Government of Brazil

