



HIGHLIGHTS

Actions and Programmes of the Federal Government of Brazil

SEPTEMBER/OCTOBER, 2009

HIGHLIGHTS

SEP/OCT 2009



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INTRODUCTION



In this edition, Highlights brings you a brief of the new regulatory landmarks for the exploration of oil and gas on pre-salt fields (page 4) and the full discourse of the President of the Republic at the time of its announcement (page 54). Also, the indicators that point the overcoming of the crisis need attention, especially as regards Gross Domestic Product (PIB) of the 2nd three-monthly period of 2009, the growth of the industrial production and formal employment (pages 3 and 45).

It also presents, among the news of the last two months, the holding of the 1st National Conference on Public Safety (page 35), the agreement executed with the French government on Brazil's Independence Day (page 6) and the agro ecological zoning of sugar-cane – which defined the rules for the expansion of sugar-cane crops in Brazil with the preservation of the environment (page 10).

Highlights presents to you, on sessions 1 and 2, updated briefs and detailed aspects of the main programmes and public policies in progress in Brazil, and invites readers to contribute criticism and suggestions.

And, finally, it records the birth of one more information and communications tool of the Government with the society: the Government Blog, with interviews, news features and information of the Federal Government in the form of texts, videos and illustrations (blog.planalto.gov.br).

Enjoy your Highlights!

The Highlights Team
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GET TO KNOW HIGHLIGHTS

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:** retrato actualizado de cinco dimensiones estratégicas de la actuación del Gobierno: social, económica, energía, política exterior y democracia.
- **Parte 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 summarizing 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 or www.brasil.gov.br

It is possible to obtain the file of this and previous editions in the internet, colored or black and white, and versions in English and Spanish.

- Update of the Economic Picture: latest figures on the economy.
- Stimulus to Production: list of measures adopted in order to stimulate economy, improve the business environment and face the effects of the international economic crisis.
- 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/2008).

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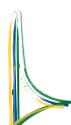
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Actions and Programmes of the
Federal Government of Brazil

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Passages from speeches by the President of the Republic of Brazil

"An action of this magnitude (regulatory landmarks of the pre-salt) can only happen in a sound way in a democratic environment. Democracy is the soundest environment for growth. The clash of ideas and passion for politics are part of the democratic universe, but we must not allow that lesser interests delay or deviate the march into the future. A democracy can only get stronger with the participation of the whole society. Because of this, talk to your friends; write to your deputy or senator, so that they support what is best for Brazil. Brazil is not afraid of growing, nor is it afraid of searching better ways. It is not going to remain tied to dogmas, closed models or half truths. Brazil believes in free market, but also believes in the role of the State as inducing agent of development. And it will always seek the balance which will guarantee the best for its people"

Speech broadcasted to the Nation through radio and television national chains, at the time of celebration of Brazil's Independence Day. Brasília (DF), September 6, 2009

"This is Brazil's evolution. People noticed that only investing in education we will be able to give the qualitative leap that Brazil needs in order to compete with the rich countries of the globalized world. And why education? Because we will not be exporters only of *commodities*, of soy beans, of iron ore. We will start to export knowledge, the intelligence of the Brazilian people, adding value to the things we produce. Then the Country will see an extraordinary growth, and there is no other way, if not investing in education, in the professional training of the people."

Ceremony of simultaneous inauguration of the campi Sobral and Limoeiro do Norte of the Instituto Federal de Educação, Ciência e Tecnologia do Ceará and announcement of the construction of 20 new professional schools in Ceará. Sobral (CE), September 10, 2009

A PICTURE OF SOCIETY

Inequality and poverty rates fall despite of the international crisis

A study by Ipea¹ shows that, even with the international crisis, there was a reduction of inequality and poverty at the metropolitan regions of the Country. The Gini Coefficient falls by 0.4% and reaches its lower level. Poverty falls by 2.8%. By the end of September, 2009, IBGE publishes the results of PNAD 2008, with updated information about the social situation of Brazilian families.

Inequality of Income

↓ **4,1%**

Fall happened between January, 2009 and June, 2009. The Gini Coefficient falls by 0.493, lowest level since the beginning of the historical series in 2002.

Inequality during crisis

↓ **0,4%**

Fall of the Gini Coefficient during crisis (from 0.504 to 0,503)³.

Metropolitan poverty

↓ **21,6%**

The number of Brazilians with per capita familiar monthly income of up to half minimum wage fell from 18.5 million in March, 2002 to 14.5 million in June 2009.

Metropolitan poverty during crisis

↓ **2,8%**

Poverty fell from 31.9% (before the crisis) to 31% (after the crisis)³. An equivalent to 503 thousand people left poverty conditions.

Formal employees

↑ **9%**

The proportion of formal employees grew from 49% (2004) to 53.4% (2008)⁴.

Actual income

↑ **3,5%**

Development of the actual average income of workers occurred between 2007 and 2008⁵.

Minimum wage

↑ **63%**

Growth above inflation measured by INPC/IBGE, between January 2003 and August, 2009. In nominal terms the development reached 133%⁶.

Middle class

↑ **24%**

The middle class grew 24% between February, 2003 and February 2009, and corresponds to 52.7% of the population⁷.

Illiteracy

↓ **16,1%**

Among people over 15 years old, illiteracy fell from 11.8% (2002) to 9.9% (2007).

Malnourishment

↓ **61,6%**

Among children under 5 years old, fell from 12.5% (2003) to 4.8% (2008)⁸.

1 IPEA – "Desigualdade e Pobreza no Brasil metropolitano durante a crise internacional: primeiros resultados" (Inequality and poverty in metropolitan Brazil during the international crisis: first results), Published August 2009. Uses data from the Monthly Employment Research/IBGE in the metropolitan regions of Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo and Porto Alegre. See www.ipea.gov.br/sites/000/2/comunicado_presidencia/comunicado_da_presidencia_n25_2.pdf.

2 Inequality varies from 0 (absolute equality) to 1 (absolute inequality).

3 Comparison between the averages of the period from October 2007 to June 2008 with the period of October 2008 to June 2009

4 Source: Monthly Employment Research/IBGE.

5 Source: Rais 2008/MTE.

6 Source: Ipeadata.

7 Source: FGV.

8 Fuente: Source: Ministry of Health.

A PICTURE OF THE ECONOMY

Brazilian economy recovers and points the end of the crisis

After two three-monthly periods of fall caused by the international economical crisis, GDP grew 1.9% at the second three-monthly period of 2009. The highlight was the industry sector (+2.1%), followed by services (+1.2%). Agriculture and stockbreeding presented a retreat of 0.1%. Considering the demand, the families consumption increased by 2.1%, and the government consumption fell by 0.1%. The gross formation of fixed capital (planned investment) remained stable. As regards the foreign sector, exports and imports presented growth of 14.1% and 1.5% respectively. **See more at blog.planalto.gov.br.**

GDP

↑ **1,9%**

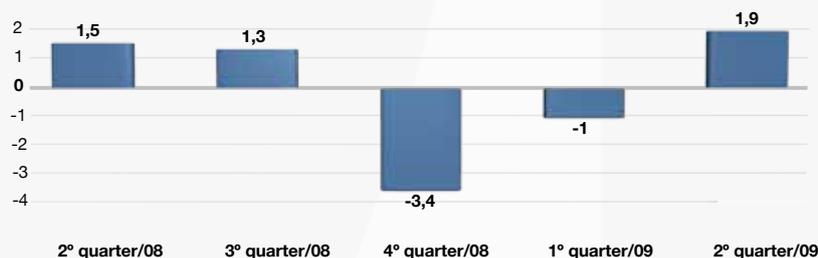
GDP of the 2nd quarter of 2009 was R\$ 756.2 billion. An increase of 1.9% in comparison with the 1st quarter of 2009. In comparison with the 2nd quarter of 2008, there was a decrease of 1.2%. The closing of the first six months of 2009 showed a negative variation of 1.5% in comparison with the 1st six months of 2008.

Family consumption

↑ **2,1%**

Increase of 2.1% in comparison with the 1st quarter of 2009 and 3.2% in comparison with the 2nd quarter of 2008 (23rd quarter of consecutive growth in this comparison basis).

GDP – Percent Variation in relation to the immediately previous three-monthly period (with seasoned adjustment)



Fuente: IBGE

International Reserves

↑ **3,4%**

Increase from US\$ 211.9 billion, in June, 2009, to US\$ 219.1 billion in August, 2009.

Balance of Trade

↑ **18%**

The accumulated result until August 2009 is US\$ 20 billion. Increase of 18% in comparison with the same period of 2008.

Inflation/IPCA

↓ **29%**

The accumulated result of the last 12 months, closed in August 2009 is 4.36%, below annual target of 4.5%. Fall of 30% in comparison with the same period of the previous year (6.17%).

Industrial production

↑ **2,2%**

After strong fall in the last quarter of 2008, industry recovers in 2009. In July 2009 there was an increase of 2.2% in comparison with the previous month. 7th consecutive month of growth.

Primary surplus

↓ **60%**

Surplus of the last 12 months closed in July 2009 is 1.76% of the GDP. Fall of 60% in relation to the same period of 2008 (4.38% of GDP).

Credit

↑ **21%**

The volume of credit of the financial system has reached a record amount of R\$ 1,311.4 billion (July 2009) or 45% of the GDP. Increase of 21% in comparison with July 2008 (R\$ 1.086 billion).

ENERGY

Pre-salt guarantees security as regards the Country's energy supply

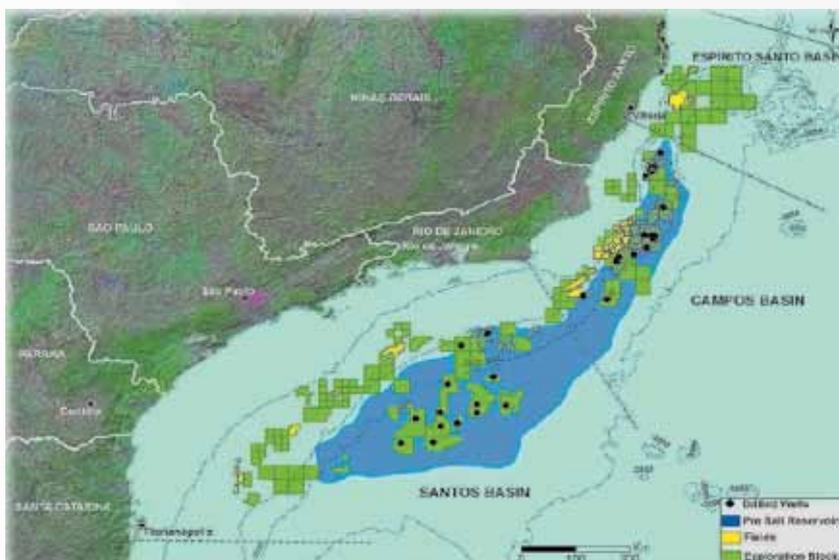
The oil found in the pre-salt layer is one of the biggest discoveries of oil of all times. On August 31, 2009, the Federal Government sent to the Chamber of Deputies the bills that define the rules for its exploration. The new regulatory landmark will make it possible to consolidate security as regards the energy supply security, strengthen the economy, generate more jobs and expand the resources for such priority areas as education, infrastructure, protection to the environment, culture and scientific and technologic innovation. The investment in exploration of oil is strategically articulated with the expansion of renewable sources of energy, such as ethanol, biodiesel, hydroelectricity, and wind and solar energy.

The challenge of exploring the pre-salt layer

- The promising region of pre-salt comprises an area of approximately 800 km long and 200 km wide, situated at Santos Basin and Campos Basin, between the states of Santa Catarina and Espírito Santo. This area was allocated from the current geological knowledge which indicates prospects of great oil and natural gas deposits, besides of the discoveries already made.
- The depth of the reserves is up to 5,000m, and some exploration areas are 340 km from the Brazilian coast.
- Estimates point, until the present moment, reserves of 9.5 billion up to 14 billion barrels of oil, which means doubling the current reserves of the Country.
- For the 30 wells already drilled by Petrobras until the end of 2008, the success rate was 87%¹. The average of the oil industry is below 30%.

Method of exploration of pre-salt

- The area is 149,000 km² (see blue area in map). 41,800 km² were already granted for exploration and production (28%)², and 107,200 km² (72%) remain in possession of the Federal Government.
- The rules proposed for the new regulatory landmark do not apply to pre-salt areas already granted.
- The built framework seeks to avoid economic and social problems deriving from dependence on a single product and improper expenditure of recourses generated.
- The proposal is to bring into line the exploration of oil with the rhythm of expansion of the local supply chain in order to promote domestic consumption of goods and services. This will allow Brazil to add value to the oil production and intensify investments in refinery and petrochemical industries for the export of quality products.
- The resources generated by the exploration of pre-salt will be invested in education, infrastructure, fight against poverty, culture and scientific and technologic innovation. These are priority areas that will give the Country a great economical and social leap, with protection of the environment.



Source: Petrobras.

1 In the areas situated at Campos Basin the success rate was 100%.

2 From the total of 41,800 km² granted, Petrobras has the rights over 35,700 km² (85,6%).

ENERGY

Regulatory Landmarks

- The Federal Government has sent, on August 21, 2009, four bills³ to the Chamber of Deputies which deal with the exploration method, instituting the production sharing system; creation of a new public corporation; creation of the Social Fund; and authorization granted by the Union for Petrobras to obtain capitalization through the pre-salt oil reserves.
 - **Production Sharing Method:** method by which the Estate keeps the ownership of the oil and gas produced, and the contracted party is reimbursed for the investments and expenses incurred by receiving a part of the oil and natural gas. This method, by which the contracted company undertakes the risks of the exploring activity, is adequate in a situation of low geological risk and high productive potential⁴. The Union may either engage Petrobras or make the invitation to bid. Petrobras will act as operating shareholder of the winning company, with a minimum participation of 30%.
 - **Petro-Sal:** the new public corporation will represent the Union on the management of production sharing agreements, holding the chair of the operating board and monitoring the exploration and production activities, with special attention given to the control of production costs.
 - **Social Fund:** the income generated will be destined by the Union to a new Social Fund, which will obtain financial investments and provide a regular income that will be applied in priority areas: education, environment, fight against poverty, culture and scientific and technological innovation⁵.
 - **Research and Capitalization of Petrobras:** in order to increase the company's financing capability for investments, Union is authorized to capitalize Petrobras with government bonds which may be used by the company to acquire the right to explore up to five billion barrels of oil, in areas not granted of the pre-salt⁶.

Characteristics of the Production sharing Agreement proposed

Production



- The company contracted will develop the exploration at its own risk.
- In case of success, the contracted will be reimbursed in oil for the exploratory investments and development of production and for the production operational costs ("cost in oil");
- The "excess material/oil" will be allotted as established in the agreement

Pre-salt regulatory landmark

The bills sent to the Chamber of Deputies, the presentations made by Ministers of similar areas, speeches and interviews may be found at www.imprensa.planalto.gov.br clicking the "pre-salt" picture. **More information:** blog.planalto.gov.br/2009/08/31.

³ Bills nos. 5,938/2009, 5,939/2009, 5,940/2009 and 5,941/2009.

⁴ This method of concession currently in effect is compatible with a situation of high risk and low productivity. According to this method, the oil and gas from the wellhead are owned by the concessionaire, and the Union receives *royalties*, special participations and signing bonus.

⁵ The resources of the Fund – which will come from the sharing of the production that falls to the Union, from the signing of production sharing agreements and from royalties of the Union – will be budgeted and inspected by the Chamber of Deputies.

⁶ Bill authorizes the Union to subscribe and pay up the share capital of Petrobrás with federal government real state bonds, as well as issue the respective bonds.

FOREIGN POLICY

Brazil and France Reinforce And Broaden Strategic Partnership

The President Nicolas Sarkozy was the guest of honor at the celebration of Independence Day of this year. At the Year of France in Brazil, the two countries reaffirmed the converging vision about themes related to the international agenda and signed two funding agreements in the total of R\$ 24 billion, with full technology transfer. One relates to the acquisition, by Brazil, of four conventional submarines and the non-nuclear part of a nuclear propulsion unit (Submarine Development Program) and 50 transportation helicopters (Project H-X). In this case, the setting up of plants for export to Latin America is foreseen.

Itaipu Agreement: Brazil and Paraguay negotiate integration

- The two countries agreed to work towards an effective regional energetic integration, which contemplates the commercialization of the energy coming from Itaipú to other countries from 2023. In a meeting held in July 2009, the presidents consolidated the cooperation in the social area, migration and stimulus to infrastructure.

Security with respect to sovereignty of Latin-American countries

- The foreign presence in Colombian military bases, without compromising the security and sovereignty of the region, was debated at Summit of Heads of State and Governments of the South America (UNASUL), held in Bariloche (August 28, 2009). All participants agreed upon the need of a bigger transparency and institutionalizing of the dialogue about defense and security in the continent.

Cooperation among India, Brazil and South Africa

- The IBSA (India, Brazil and South Africa) Chancellor's Meeting in Brasília (August, 31, 2009 – 1st September, 2009) focused on incrementing the trilateral coordination of current themes of the international agenda, promote South-South cooperation and strengthen the voice of the South. Also the subjects of agriculture, commerce and funding, transportation, human settlements, culture, education, defense, environment and climate change were discussed.

Cooperation with Africa moves forward

- Brazil was the guest of honor at the African Union Summit (Sirte, Libya, June 1st, 2009). On the occasion a complementary adjustment to the cooperation agreement was signed, in order to implement projects on agriculture and stockbreeding, and promote food security and reduction of poverty in Africa.

Legalizing of foreigners in the Country

- "Migratory Amnesty Law" (July, 2009) regulates the situation of immigrants and secure their freedom of movement, right to work, health and public education and access to justice.

Reforms to International Monetary Fund (FMI) and World Bank in order to avoid new financial crisis

- Brazil will participate at the Pittsburgh G-20 Summit on September 24 and 25, 2009, defending new regulation of the international financial system, limitation of bonuses paid to high executives of institutions, reforms to FMI and the World Bank. Besides of financial-economic themes, the agenda of the Summit includes climate change.

Guidelines of current Brazilian foreign policies

Brazil seeks to achieve new, non-exclusive and multipolar world geography. Traditionally orientated by the search for peace, by negotiated solutions to international conflicts and by the defense 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 and blog.planalto.gov.br/assunto/relacoes-exteriores.**

DEMOCRACY

The Country moves forward for the consolidation of democratic rights and institutions

More actions strengthen democracy in Brazil: the 1st National Conference on Public Security (Conseg) congregated governments, civil society and professionals of the area to guide a new national policy for the sector. The new Attorney-General of the Republic, appointed by the Executive Power, was the most voted from a three-name list of candidates. Citizens achieved additional security against abuses by telephone and mobile phone companies. There are clearer rules for civil service examinations. Federal agencies broaden the fight against corruption

1st Conseg: public security at democracy's service

- Three thousand people – civil society, governments and workers of the sector – participated at the 1st National Conference on Public Security from August 27 to 31, 2009 (Brasilia/DF). During the meeting, a document with 10 principles and 40 guidelines which will serve as basis for the preparation of the new national policy for public safety was signed.
- 525 Brazilians were involved in the process of preparation of the proposal. Among the consecrated principles are: autonomy of the security institutions, transparency at the spreading of information and consolidation of the Single Public Safety System and of Pronasci (see page 35).

New Attorney-General of the Republic appointed as the most voted from a three-name list

- In July, 2009, for the fourth time since 2003, the President of the Republic appointed a career member indicated by his peers for the position of attorney-general of the republic. The act reinforces the independence and balance of the Executive Power and of the Public Ministry and contributes to strengthen this organ and the democracy.

There are clearer rules for civil service examinations

- More transparency and equal rules for all organs, established by Presidential Decree no. 6,994 of August 21, 2009. Among other news, this act fixes the term of 2 years, renewable for 2 years, and admits the approval of a higher number of candidates according to the number of vacancies in order to avoid open positions.

Citizens achieves additional security against abuses by telephone and mobile phones companies

- Ministry of Justice orientates the user as how to cancel, free of charge, the subscription of services in cases of failure to comply with the agreement in spite of terms or loyalty scheme. The procedure is simple: the customer just has to write a communication and certify a copy at a Notary. After that the termination is automatic¹.

More interviews and new blog: Government intensifies communication with society

- The relationship between the Federal Government and the press has been intensified: up to the second week of September 2009, 187 interviews were given, surpassing the total of 182 interviews in 2008.
- The new Government Blog, launched in August, 2009, shares information about the daily life of the President of the Republic and allows the reader to follow events, acts and the agenda. The objective is to establish a closer and more informal dialogue between Government and society.

Brazil and the institutional fight against corruption

The Country perfects mechanisms for the fight against corruption, by means of collaboration and systematic exchange of information between inspection institutions. The effort involved entities such as Coaf (Conselho de Controle das Atividades Financeiras do Ministério da Fazenda), Federal and Civil Polices, CGU and TCU. The main focuses are: fight against tax evasion, money laundry and participation of cartels in public bids. **More information: www.tcu.gov.br, www.mj.gov.br, www.cgu.gov.br/transparencia, www.fazenda.gov.br, www.portaltransparencia.gov.br and blog.planalto.gov.br/bom-dia-ministro-cgu-e-ministerio-da-justica-juntam-forcas-contra-a-corrupcao.**

¹ More Information: www.mj.gov.br/data/Pages/MJ08DEBD27ITEMIDD034E94AFE8740A4A25BB6FDFC875B17PTBRNN.htm.



Stay up to date. See also:
www.brasil.gov.br/noticias/em_questao and blog.planalto.gov.br

2

SECTORAL PROGRAMMES AND THEMES

AGRICULTURE AND STOCKBREEDING

Expansion of the planting of sugar-cane with respect to the environment

The Agroecological Zoning of Sugar-Cane – ZAE announced in September, 2009 orientates the expansion of production of sugar-cane destined to the manufacturing of ethanol and sugar, with environment and economic sustainability. Measures protect the Amazon, the indigenous vegetation and the area of production of foods. Adequate production methods are being taught.

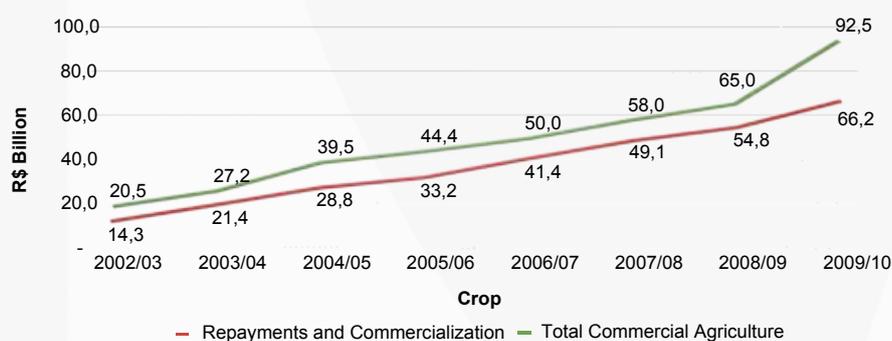
Agroecological Zoning of Sugar-Cane

- The measures sent to Congress by means of Bills aim to:
 - Stimulate the use of areas with agricultural potential (soil and climate): areas with plentiful natural irrigation and which allow mechanic harvest instead of manual harvest.
 - Protect areas of native vegetation and the biomes Amazon and Pantanal and the Alto Paraguai Basin, where the expansion will be prohibited.
 - Guarantee food security and protect areas of production of food.
 - Guarantee the application of adequate production methods, limiting fires at pre-harvest and in areas viable for mechanization.
 - Establish a timetable for the elimination of fires at pre-harvest.
- The new conditions and restrictions do not affect the industrial units already in operation and programmed.
- Today, the sugar cane occupies 0,9% of the country's lands. In 2017, it is estimated that the production will be doubled. This will result in the occupation of only 1,7% of the lands.

More resources for trading favor producers

- R\$ 1.5 billion were released in August, 2009 for trade transactions for the purchase of second crop of corn as well as other products, such as cotton, wheat, coffee, rice and beans.
- With these resources, the commercialization of more than 3 million tons of corn is forecasted. This measure favors the Central-West region where there is a fall of prices because of the excess production.
- The products are acquired by means of auctions and acquisitions for the formation of storage and contribute for the improvement of prices paid for the produce.

Rural Financing – Programmed Resources Crops 2002/2003 to 2009/2010



Source: Mapa.

Indonesia opens market for Brazilian beef

- Indonesia has announced the opening of the market for Brazilian beef in natura. The sanitary authorities approved the export of the product by five Brazilian slaughterhouses

2008/2009 crop is the second biggest in history

The grain crop of 2008/2009 was 134.3 million tons, according to the last survey by Companhia Nacional de Abastecimento - Conab (National Supply Company) published in September 2009. Even with the drought at the south of Brazil and the credit slowdown caused by the economic international crisis, this was the second biggest crop of grains in history. **More information: www.conab.gov.br and blog.planalto.gov.br.**

SUSTAINABLE AMAZON

Amazon in the United Nations Climate Change Conference (COP 15) in Copenhagen

The Task-Force, composed by representatives of the State Governments of Legal Amazon, with the support of the Federal Government, examines the financing options for the Reduction of Emissions from Deforestation and Forest Degradation (REDD). These options will be discussed during COP 15 of the UN Climate Change Conference (Copenhagen, Denmark – December 2009). COP 15 will determine new targets of reduction of emissions for developed countries, for the period after 2012, and actions to further the implementation of the Convention as regards mitigation, adaptation, financing and technology.

Land regularization moves forward in the region

- Focusing on land regularization, the Programa Terra Legal (Legal Land Program) covered, by June 19, 2009, 30 municipalities of the states of Pará, Mato Grosso, Rondônia and Maranhão, by means of the Green Arc Group Action.
- The program aims to regularize 296,000 properties of up to 15 fiscal modules¹ within three years. Owners of up to four fiscal modules will have priority access to environmental licenses, to specialist help, to the Pronaf Systemic² line of credit and to programmes for purchasing produce.
- 139,000 people were attended and 7,733 settlers were registered, totaling one million ha of lands (until September 14, 2009).
- Profile of the registries:
 - Location: 56% of the properties are in Rondônia and 36% in Pará.
 - Area: 42% of up to one fiscal module; 41% of one to four modules and 17% of four to fifteen modules.
 - Settlers: 44.1% of the settlers were born in the Amazon and 25% are women.
- Before the definitive deed is granted, the properties will be georeferenced (measurement of the area) and inspected, an obligation for properties above four fiscal modules.
- The Group Action finishes in October 2009, and will cover 43 Amazon municipalities responsible for the highest rates of deforesting.
- The program involves various federal³, state and municipal public bodies, offering services such as: provision of civil documents and identification cards for the elderly; access to social security benefits, credit, technical assistance and to the provision of technology; military enlistment; register of fishermen; opening of bank accounts; and providing of environmental licenses. See more at: portal.mda.gov.br/arcoverde and blog.planalto.gov.br/mutirao_arco_verde.

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, 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 regularization; 2) Public policies to fight deforestation; 3) Reorganization of agriculture and stockbreeding in the cerrado area; 4) Economic alternatives for small growers and extractive workers in the transition zone between the forest and the cerrado area. 5) Network of Industrial Complexes. 6) Logistics and training, science and education. **More information:** www.sae.gov.br.

1 One fiscal module has an average of 76 ha.

2 Special line of credit for funding and investment for agriculture and non-agriculture related activities. It allows that a set of expenses linked to the farmer and his family are financed through a single operation. It also promotes balanced environmental development activities.

3 Coordinated by the Presidential Staff and by the Ministry of Agrarian Development (MDA) and Environment (MMA), counts with the participation of the following ministries: Agriculture (Embrapa, Conab e Ceplac), Social Security (INSS), Cities, Culture, Defense, Education, Labor, Aquaculture and Fishing, Ministry of Planning, Budget and Management (Union Asset's Department), Special Secretariat for Human Rights, Banco do Brasil, Banco da Amazônia, BNDES and Sebrae. City halls and state governments (MT, PA, MA, RR, RO and AM) also give support.

FAMILY CASH TRANSFER

Real gain of 4% for the benefits for Family Cash Transfer

The benefits were updated in September, 2009, by the INPC index, and stand: R\$ 68 the basic benefit, R\$ 22 variable for child and R\$ 33 variable for adolescent. A real gain of about 4%. School attendance of 86% of children from six to 15 years old is followed, as well as health of 63% of the families.

More than 500,000 families are benefited

- More than 500,000 families became beneficiaries from the Family Cash Transfer in August 2009, thus completing the second phase of expansion of the program, which began in May, 2009 with the inclusion of 300,000 families. A total of 1.3 million families will be included in the program in 2009.

More than 1.5 million registrations reviewed

- By July, 2009 more than 1.5 million registrations were reviewed by the municipal coordinators. Until October, 2009 about 1.9 millions registrations will be reviewed.
- The deadline for the updating of information of the beneficiaries who are for more than two years without changes was extended from August, 2009 to October 31, 2009.

New tool to qualify Unified Register

- The Audit Monitoring System of Unified Register (Simac) is a new online tool that qualifies the information of the Unified Register. With this system the municipalities complement and qualify the information of families with evidence of errors identified through audits made by the crossing of the register with other administrative registers.

Follow-up of school attendance reaches 86% of the beneficiaries

- The Family Cash Transfer program benefits more than 17.1 million children and adolescents in school-age. Among students from six to 15 years old, the follow up index of school attendance from June to July 2009 reached 86%. Among the students from 16 and 17 years, the index was 77%.
- In the area of health, 6.1 million families were attended on the first six months of 2009 (63% of the total): increase of five percentage points in relation to the previous six-monthly period (58%).

Next step: job training for more than 172.000 people

- In 2009, 172.490 places were created for qualification at the Family Cash Transfer Sectoral Plan for Job Training – Next Step. More than 26.000 beneficiaries in the Country¹ are attending classes in the civil construction and tourism areas. See page 39.
- The aim is to offer professional qualification to beneficiaries of the programme and put them in job positions.

What the Family Cash Transfer (Bolsa Família) consists of

Created in October, 2003, the Family Cash Transfer programme helps 12 million poor families. Families with per capita income of up to R\$ 140 receive benefits varying from R\$ 22 and R\$ 200, according to the family's monthly wage and the amount of children and adolescents of up to 15 years old (up to three per family) and young people of 16 and 17 years old (up to 2 per family). The benefits are given directly to women by means of a personal electronic card. The grant is connected to fulfillment 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 and blog.planalto.gov.br/assunto/bolsa-familia.

¹ In the metropolitan regions of Manaus, Belém, Fortaleza, Recife, Salvador, Distrito Federal, Belo Horizonte, Rio de Janeiro, São Paulo, Campinas, Santos, Curitiba and Porto Alegre; and capitals Vitória, Goiânia, Palmas, São Luís, Aracaju, Maceió and Campo Grande.

SCIENCE, TECHNOLOGY AND INNOVATION

Radiopharmaceutical¹ unit produces medicine in the northeast

The Government has inaugurated in Recife (PE) the first radiopharmaceuticals production plant in the northeast. With highly qualified personnel, the new unit will manufacture medications that make the diagnostics in oncology, cardiology, neurology and other medical specialties more precise. This production plant will position the northeast as a medical pole in the Country, in equal standing with other advanced centers of diagnostic imaging. Investments of R\$ 19 million (CENEN/MCT²). **See more at: blog.planalto.gov.br/portos-escolas-tecnicas-e-radiofarmacos-na-agenda-em-pernambuco.**

Support to research and structuring of universities

- The new federal universities received support from the Government for structuring. CNPq examines qualified projects in order to invest R\$ 19.4 million this year.
- Master and Doctor Degrees at the microelectronics area were awarded with additional support. The aim is to encourage the development of devices and manufacture, conception and test of circuits, integrated systems and other computer tools. The projects were contracted by means of an official announcement by Finep, which destined R\$ 6 million for this end.

Investments in research and innovation in companies

- Micro, small and medium enterprises, in 12 different states of the Country, received investments destined for research and development of products and processes in July, 2009. The objective is to encourage technological innovation and competition. Resources: R\$ 26 million from CNPq.

Support to research in telecommunications

- The development of technology applied to telecommunications received support of R\$ 110 million in July, 2009, by means of the cooperation between companies and Science and Technology Institutes (ICTs)².

Amazon Regional Center

- A unit of Inpe was inaugurated in Belém (PA), dedicated to the development of knowledge in geotechnologies, and will serve as international reference for the diffusion of technology for monitoring of tropical forests via satellite. Investment of R\$ 10 million.

Research Projects of various areas receive resources

- In August, 2009, 199 Finep's projects were pre-qualified: Information and Communication Technology (43), Health (41), Social Development (39), National Defense and Public Safety (31), Energy (25) and Biotechnology (20). Resources of R\$ 450 million.

First phase of the State Schools Mathematics Olympics (OBMEP)

- About 19 million students of the elementary and secondary schools participated of the first phase of the State Schools Mathematics Olympics in August, 2009. In its 5th edition, OBMEP involved 143,000 schools and about 120,000 voluntary teachers.

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

The PACTI aims to expand, integrate, modernize 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 favorable environment for innovation in business, and strengthen the PDP (see page 16) and research and innovation activities in strategic areas. It also aims to popularize the teaching of sciences, universalize access to goods generated by science and spread technologies that improve the living conditions of the population. **More information: www.mct.gov.br.**

1 Substances that emit radiation, used in medicine for radiotherapy and imaging diagnostic.

2 Resources from FNDCT - Fundo Nacional de Desenvolvimento Científico e Tecnológico e do Funtel – Fundo para o Desenvolvimento Tecnológico das Telecomunicações.

CHILDREN AND ADOLESCENTS

Website guarantees access to information of social programmes

The National Observatory for Rights of Child and Adolescent is the website developed to keep and follow information and pointers about social policies of this area. The website democratizes the access by the society to the banks of programmes of the Federal Government and studies and publications related to the subject.

Stimulus to dialogue and spreading of good practices

- The Observatory spreads actions and information related to the subject, such as:
 - Local youth-oriented initiatives: creation of spaces where young people may have the opportunity to be heard and participate of decision of actions destined to them.
 - Researches, policies, publications and national and international documents support the reduction of violence against children and adolescents.
- Youth Observatories will be created in the states, aiming to promote the participation of adolescents in debates and online discussions and record the experiences of adolescents in actions of promotion, defense and guarantee of rights.
 - The deadline for the presence of a youth network in all Brazilian states, with the direct participation of 1,200 adolescents is 2010.
- Website: www.obscriancaeadolescente.org.br.

New Law makes adoption easier

- Law 12,010/2009 sanctioned on August 3, 2009 allows the adoption of people over 18 years old, regardless of marital status. In case of joint adoption, the adopting parents must be legally married or have a stable Union.
- Among the news are:
 - National and state register of children and adolescents for adoption and of qualified people or couples.
 - Register of Brazilian people living abroad, interest in adopting.
 - Broadening of the concept of family, meaning close relatives and not only the parents, and effort to the remaining of the children in the family.
 - Time in shelters reduced for 2 years.
 - Priority for the joint adoption of siblings.
 - Children of quilombola and Indigenous origin must be, by priority, adopted within their own community.
 - Adoptive parents must be previously trained and post-adoption follow-up is obligatory.
 - For international adoption, Law demands that the first state of sociability happens in national territory for at least 30 days.

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 y blog.planalto.gov.br.

CULTURE

Children learn playing

Projects which recognize, incentive and value children plays and games as rights and opportunity for learning are stimulated by the programme Pontinhos de Cultura (Little Points of Culture). In August, 2009, 215 such initiatives were contemplated by public selection, with R\$ 18,000 each, totaling R\$ 3.87 million. 27 of these projects are in Territories of Citizenship. Another 93 projects are located in areas of the Programa Nacional de Segurança Pública com Cidadania - Pronasci (National Programme for Public Security with Citizenship).

Stimulus for the production of movies, video games and plastic arts

- Fundo Setorial do Audiovisual – FSA (Audiovisual Sectorial Fund)
 - The FSA, a mechanism for the stimulus of the Brazilian audiovisual industry, contemplated 18 productions of featured films and eight projects for the acquisition of distribution rights of Brazilian movies. R\$ 25 million were provided in August, 2009.
- Prêmio Cultural LGBT 2009 – Cultural Awards LGBT 2009
 - 54 cultural initiatives which contributed to the fight against homophobia and for the increase of visibility of the segment LGBT were awarded with resources of R\$ 23,000 each, in August, 2009.
- BR Games Contest
 - Among the 200 initiatives registered, seven were selected to stimulate research in the area of video games, strengthening Brazilian entertainment area in the domestic and foreign markets. Investment via public announcement: R\$ 1.74 million.
- Brasil Arte Contemporânea (Brazil Modern Art) strengthens visual and plastic arts
 - Stimulates the creation of new commercial networks, exports and spreading of domestic works and professional perfecting in the international market. As regards the domestic market the programme supports the participation of art galleries and collecting institutions at international fairs. Programme launched in August, 2009.

More access to culture in small municipalities

- Project Caravana da Cidadania Cultural (Caravan of the Cultural Citizenship)
 - This initiative aims to verify the population's cultural demands and present programmes in 18 municipalities¹ with less than 100,000 inhabitants not contemplated by MinC (Ministry of Culture) actions.
 - Municipalities already visited: São Francisco do Conde (BA) and Currais Novos (RN) in August, 2009.
- Bibliotecas Públicas Municipais (Municipal Public Libraries)
 - Up to December, 2009 all municipal public libraries will be evaluated by Getúlio Vargas Foundation (FGV). A covenant was entered into between the entity and the Government in August, 2009.
 - This action aims to perfect the database of the Sistema Nacional de Bibliotecas Públicas – SNBP (National System of Public Libraries) of the National Library Foundation and contribute for the fulfilling of the target established: to zero the number of municipalities without a library in the Country.

Vale Cultura (Culture Voucher) awaits Congress vote

- The Bill (PL 5,798/2009) that instituted the Programa de Cultura do Trabalhador (Culture of the Worker Programme) and created the Vale Cultura is in deliberation by the Chamber of Deputies in emergency proceedings.

What the “More Culture” programme consists of

The “More Culture” Programme aims to build up cultural actions of excluded and vulnerable populations, as a means to the right of freedom of speech, besides guarantying access to leisure and consumption of cultural goods and services, reincorporating culture as a means to help qualification by education. 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 and blog.planalto.gov.br/diversao-e-arte-para-todos.

¹ In the states of AC, AL, BA, CE, MG, MS, PA, PI, PR, RJ, RN, RS and SP.

PRODUCTIVE DEVELOPMENT – PDP

Finep increases financing of innovation

In 2009, Financiadora de Estudos e Projetos – Finep (Financing Body for Research and Projects) has R\$ 2.5 billion to stimulate innovation. R\$ 1.7 billion from the Fundo Nacional do Desenvolvimento Científico e Tecnológico (FNCDT) are destined to non-reimbursable financing of C&T institutions, research and subvention infrastructure to companies. The remaining R\$ 800 million are destined to reimbursable credit transactions. Up to August, 2009, R\$ 662 million were spent. In 2007, before the implementation of PDP, R\$ 2 billion were executed.

More stimulus to investment in R&D

- Disbursements made by BNDES for innovation, since 2006, surpassed R\$ 1 billion: R\$ 104.6 million in 2006; R\$ 315.6 million in 2007; R\$ 572.8 million in 2008; and R\$ 34 million up to March, 2009.
- Economic support 2009 (Finep): 199 proposals were approved, among 2,558 received. See page 13.
- Implementation of Science and Technology Institutes (ICTs): since the launching of PDP in 2008, 123 ICTs were implemented in all regions of the Country, in a partnership between Finep and BNDES, with a total investment of R\$ 605 million.

Other actions of stimulus to innovation

- Matching TJLP, the financing rates practiced by Finep for innovation fell 0.25 p.p. The Inova Brasil Programme now operates with rates between 4% and 8% a year, and will work in five categories of innovation stimulus, three of which directed to PDP Programmes.
- Authorized economic grant in aid under the category of equalization of interest rates for BNDES financings contracted up to December 31, 2009. The limit for the grant in aid by the Union is R\$ 44 billion (MP 465/09). Special attention to the reduction in 0.25 p.p. of the rates for Inovação Tecnológica - Technological Innovation (3,5% a year) and Capital Inovador – Innovative Capital (4,5% a year).
- Regulation of Law 11,774/08 authorizes the full recovery of values invested by companies in machines and equipment for R&D related activities at the moment of assessment of IRPJ and CSLL of the year of acquisition.
 - Extends to 2010 credits related to CSLL of 25% of the annually value of accounting depreciation for new machines and equipments acquired between October 1, 2004 and December 31, 2010.
 - Consents that computer and automation companies deduct, for assessment of taxable profit and the taxable basis of the CSLL, the value corresponding to up to 160% of expenditures with research and technological innovation.

Management of PDP

- After one year of its implementation, 32 executive committees are at work, 24 with agendas already approved and with action in progress, involving 64 government bodies and 504 public workers.

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. Due to its objectives, breadth and characteristics, it demands management and governance structure able to promote the integration of policies and government institutions, at the same time enabling an organized dialogue with the productive segment. **More information:** www.desenvolvimento.gov.br/pdp and www.abdi.com.br.

CIVIL DOCUMENTATION

Mapping of registry offices guarantees better, quicker and more agile services

The National Registry of Notaries, launched with the Birth Registration Campaign of 2009, makes possible the mapping of all registry offices in Brazil, guarantying that the services rendered to the population are quicker, more agile and better. The identification of registry offices will promote a survey of the distribution of services in the Country, as well as its quality.

Documents with more safety

- Each registry office receives an identification number which will appear in the safety code of documents issued. This will allow:
 - Verification of authenticity of documents.
 - Survey of locales without registry offices, so that traveling services may universalize the register of births.
 - Perfecting of the planning of public policies.

National mobilization towards birth certificates and basic documentation

- The dissemination of the "Birth Registration Campaign 2009" through means of communication with the theme "Birth Certificate. A right that gives rights. A duty of the whole of Brazil" began in August 23, 2009. Get to know the campaign at: www.certidaodenascimento.gov.br.
- With the image of the soccer player Ronaldo Nazário, the "Phenomenon", and the involvement of several partners¹, the campaign aims to reach 2,989 cities of the 27 states, focusing mainly the northeast region and Legal Amazon. 1,292 group actions are forecasted for the issuance of birth certificates (632 in the northeast and 660 in the Legal Amazon).
- The campaign aims to orientate people about the importance and method of obtaining of certificates and civil documents. Every individual has the right to obtain a birth certificate, regardless of age, and it is enough to look for the registry office closer to the place of residence (or place of birth, in the case of newborns).
- The group action will reach the population without access registry offices.

More than 200,000 documents issued in rural areas

- In partnership with the Programa de Documentação da Trabalhadora Rural (Documentation of the Rural Female Worker Program), 219,800 documents were issued and 130,683 women were attended by 410 action groups in rural areas (from January to August, 2009). See page 38.
- In the Legal Amazon 1,861 birth certificates, 5,448 identification cards, 3,233 CPFs (Personal Registration Number) and 4,422 employment documents were issued with the help of the Green Arc Action Group (from June, 2009 to August 26, 2009).

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 the citizen, 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 the 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 laborers, homeless people, rubbish sorters, people with low income, the elderly and children in care, municipalities with an under-registration rate over 25% without registry offices or with very distant attendance centers. **More information:** www.presidencia.gov.br/estrutura_presidencia/sedh/promocaodh/ld_rcn and blog.planalto.gov.br/bom-dia-ministro-certidao-de-nascimento-e-araguaia.

¹ Including federal bodies and non-governmental institutions, among them Unicef, Pastoral da Criança, Associação dos Notários e Registradores do Brasil (Anoreg) and Associação de Pessoas Naturais do Brasil (Arpen – Brazil).

EDUCATION – PDE

1.5 million students in more than 105,000 literacy study groups

The literacy of youngsters and adults is one of the priorities of the Education Development Plan (PDE). There are 1,485,951 students in the process of literacy and 105,100 active study groups of the cycle 2008 of the Literate Brazil Programme, and 136,206 teachers registered. Get to know PDE measures for Literacy and Continuing Education.

Literacy actions and continuing education

- **Literate Brazil Programme (PBA):** created in 2003 in order to universalize literacy of Brazilians of 15 years old and over, PBA has attended 8,470,529 people from 2003 to 2007. In 2007 it was reformulated as a result of the difficulty in entering into agreements with non-profit entities.
 - Started to work exclusively with governmental partners (states or municipalities).
 - The resource is not made by agreement, but by means of direct transfer of financial resources by FNDE, for the bank accounts of partners.
 - The payment of benefits is made directly to the teachers (R\$ 250 e R\$ 275), sign language translators (R\$ 250) and study groups coordinators (R\$ 500). Currently there are 99,840 students receiving scholarships.
- **National Programme of Literacy Textbooks for Youth and Adults (PNLA):** distributes literacy textbooks for youngsters, adults and the elderly in literacy process. In 2008, 1,559,871 books were delivered for students and 108,273 were delivered for teachers of partner entities of PBA. In 2009, 2,416,771 books will be distributed to students and 219,702 to teachers.
- **Youth and Adult Education (EJA):** offers elementary and secondary school, in classroom-based and semi-classroom-based courses to youngsters and adults of 15 years old and over. In 2008, 3,291.264 students were registered at the elementary school, 1,635,245 at the secondary school and 18,915 at the vocational programmes of the EJA. From 2003 to 2007 there were 24,037,977 registrations.
- **Sight Brazil Program:** provides ophthalmologic consultations and prescription glasses to youngsters and adults of the PBA, by means of a partnership between the Education and Health Ministries. In 2008 began the attendance of students in the northeast and Legal Amazon. 1,277.883 students will be attended. In Piauí, 6,325 glasses were distributed.

Gold Medal at the International Mathematics Olympics

- Brazilian students won one gold medal, three silver medals and two bronze medals at the 50th International Mathematics Olympics. The Country climbed to 17th place among 104 participants.

Record of registrations for National Secondary School Examination – Enem 2009

- The examination was reformulated and is now used by Higher Education Institutions and Federal Education, Science and Technology Institutes as selection process.
- 24 higher education institutions and 30 federal institutes adopted Enem for the access to a part or the total of vacancies. More than 4.5 million candidates registered, an increase of 14% in relation to 2008, a historic record.

What the Pluriannual Literacy Plan (PPA) consists of

The Plano Plurianual de Alfabetização (PPAlfa) prepared by state and municipal secretaries of education participating of the PBA determines the goals regarding literacy and education of youngsters and adults. The document contains pedagogical, management and supervision proposals related to literacy projects that they aim to develop and descriptions of tools and method of evaluation. The commitments assumed in the Plan are annually validated by MEC. **More information:** www.mec.gov.br/secad and blog.planalto.gov.br/assunto/educacao.

EDUCATION – PDE IN NUMBERS¹

Basic Education

UAB

560
centers in operation

Open University of Brazil.
Target: 850 center until 2011.

Pibid

2,321
scholarships granted

Bursary for New Teachers.
Target: 9,200 scholarships until 2010.

Fundeb

R\$ 3.89 bi
transferred by the Union
(5.8% of the total)

Fund for the Maintenance and Development of Basic Education. Target: 10% participation of the Union from 2010 to 2020

Ideb (2007 average grades)

4.2 (up to 4th grade)
3.8 (5th-8th grade)
3.5 (high school)

Development of Basic Education Index. Targets 2010: 6 (up to 4th grade), 5.5 (5th-8th grade) and 5.2 (high school).

ProInfancia

1,022
contracted daycare centers (2008/09)

Target: 500 new centers per year.

ProInfo – Computer laboratories

32,500
laboratories acquired

Target: 35,000 laboratories up to 2010.

ProInfo – Broadband

29,014
schools connected (2008/09)

Target: 22,000 connections per year.

9-year Elementary School

52%
of the registrations in 2008

Target: 100% of registrations in this system in 2010.

Multifunctional Resources Rooms

5,551
rooms operating (2005 to 2008)

Bids invited for 10,000 rooms (2009). Target: 15,000 rooms in 2009.

“Way to School” (school bus)

2,785
buses acquired

Target: 15,000 buses up to 2011.

Vocational and Technical Education

Expansion

78
schools operating in definitive accommodations

2 built but not operating; 104 being built (9 operating in provisory accommodations); and 30 being prepared. Target: 214 new schools up to 2010.

Higher Education

Expansion

12
federal universities and
104
campuses/units working

Universities: one approved but not working; PLs of three new universities going through Congress. Campuses/units: 27 being prepared. Target: 16 universities and 131 campuses.

Prouni

583,239
scholarships since 2005.

Target: 720,000 scholarships up to 2011.

Fies

322,781
contracts (2003 to 2009)

Target: 100,000 contracts per year.

¹ Position in August, 2009.

SPORT

Brazil is chosen to host 2016 Olympic Games

Rio de Janeiro will host the Olympics 2016. It will be the first city in the South America to host the biggest sports event of the world. The announcement was made on October 02, 2009, in Copenhagen, Denmark. The International Olympic Committee (IOC) recognized Brazil's capacity to host great sports events, praises the legacy plan and reinforces the transforming potential of the games for the city, the region and the Country.



- Budget: sustainable and detailed.
- Legacy for the population of the city and of the Country.
- Evaluation of sports as a tool for social inclusion

Decision was announced on October, 02

- Rio de Janeiro competed to host the Olympic Games 2016 Together with Madrid (Spain), Tokyo (Japan) and Chicago (USA)

IOC positively evaluates Rio's project

- The members of the IOC were in Rio in April, 2009, to evaluate the Project of the city, which was positively classified
- The visit report, which consists of a technical analysis of 17 detailed themes, proves the consistency of the Project Rio de Janeiro.

Strengths of the Application Rio 2016

- First edition of the Olympic Games in South America.
- Engagement of the three governmental levels and of the private initiative, as well as the existence of a National Olympic Committee that will jointly coordinate the organization of the games in Rio de Janeiro
- Solid and consistent governmental guarantees.
- Macroeconomics picture favorable to Brazil.

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 in 2014 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.**

HOUSING

Housing policies decrease social debts and help combat economic crisis

Various governmental programs linked to the housing sector (National Fund and System of Social Interest, PAC – urbanization of slums, Housing National Plan and Programme My House, My Life) begin a process of reduction of a historic debt of the society towards of people with low income. These policies also work as anti-cyclical measures to combat international economic crisis, for they warm the construction segment, increase the offer of credit and generate demand, job positions and income.

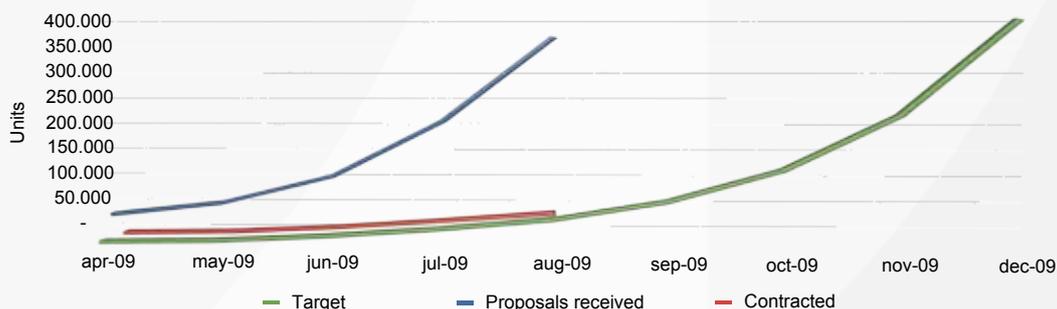
The increase of social access to decent housing is a target of the government

- Brazil has a housing deficit of 6.3 million houses, mainly among the population with lower purchasing power. The increasing credit supply, with better conditions, is helping fight this deficit. Up to August, 2009, a record of contracting housing by Caixa was achieved, with R\$ 26 billion of credits granted. This value surpasses the total contracted in 2008. This credit benefits mainly the middle class.

Programme My House, My Live aims to extend benefit to low income classes

- The program aims to reduce the housing deficit by 14%, by means of the construction of one million houses for families with monthly wage of up to ten minimum wages (SM), offering:
 - Full housing subsidy with the exemption of insurance for families of up to three SM;
 - Increase of partial subsidy for financing with reduction of insurance costs and access to Guarantee Fund for families of three to six SM;
 - Stimulus to purchase with reduction of insurance costs and access to Guarantee Fund for families of six to ten SM.
- 55,606 housing units were contracted up to September 11, 2009: 38,661 with legal entities and 6,945 with individuals, involving R\$ 3.4 billion. 41.7% of these contracts are for families with income of 0 to 3 SM; 43.4 % for families with income of 3 to 6 SM; and 14.9 % for families with income of 6 to 10 SM. Up to 31 August, 2009, 26 states and 951 municipalities joined the Program.
- Rules were defined for putting the program into operation in municipalities with less than 50,000 inhabitants.
- The increase of contracts entered into will depend on the capability of financing agents to process proposals received. As may be observed in the chart below, these proposals are increasing exponentially:

The evolution of contracts of Programme My House, My life



Source: Caixa.

What the Guarantee Fund of the My House, My Life Programme consists of

The Fund is made up of resources from the Treasury and reduces the risks for the financing agent, for it allows the mortgager to refinance part of the installments in case of loss of income. As a result, the financing agent may reduce the interest rate charged thus reducing financing costs. **More information:** www.cidades.gov.br/secretarias-nacionais/secretaria-de-habitacao, www.caixa.gov.br/habitacao/index.asp and blog.planalto.gov.br/minha-casa-minha-vida.

RACIAL EQUALITY

Students of the racial quotas system receive research initiation scholarship

600 black students who entered 47 public universities by means of the racial quotas system were granted research initiation scholarships of R\$ 360/month in August, 2009. The resource helps to keep the quota keepers in the university and encourages research in universities.

Rescue of Afro-Brazilian and African culture is spread in the Country

- The cycle of regional seminars on the adoption of the National Plan for the Implementation of Law no. 10.639, that makes it an obligation the teaching of Afro-Brazilian culture and history in all Brazilian territory has began in: Belém (PA), on September 09, 2009; Recife (PE), on September 15, 2009; Campo Grande (MS), on September 23, 2009; Rio de Janeiro (RJ), on October 14, 2009; and Porto Alegre (RS), on October 21, 2009.

Reference center strengthens the organization of gypsies

- The first reference center of the gypsy culture of Latin America was inaugurated in August, 2009, in Sousa, a municipality in PB, financed by Eletrobras, in a terrain assigned by the City Hall.
- Movie theaters, rural library Arca das Letras, telecenter for digital inclusion in Bank of Brazil, community vegetable garden, rooms for meetings and aviculture training courses are found in the multiuse cultural space.
- Aims to strengthen the organization of the local gypsy population and stimulate its socioeconomic development. There are three gypsy communities of the Calon¹ ethnics in the region, in a total of 600 people.

Results of the Programa Brasil Quilombola (Quilombola Brazil Programme)

- Land registration: aims to guarantee the right to land for quilombola² communities, according to article 68 of the Act of Transitory Constitutional Dispositions (ADCT) of the Federal Constitution of 1988.
 - Since 2003, 56 title deeds were granted to 80 communities in the Country, totaling 174,500 ha and 4,121 families³. Until 2010, another 40 title deeds will be granted in relation to 197,800 ha to 3,641 families.
- Light for Everybody
 - More than 85% of the quilombola communities were already attended by the "Light for Everybody" Programme. Between January, 2004 and January, 2009, 20,335 electrical connections were made in quilombola houses.
 - The target is to reach more than 9.518 quilombola houses until 2010.
- Training of public defenders about quilombola issues.
 - I Seminar of Technical Training for Public Defenders of the Union, in Brasília, broaches anthropological concepts, legal landmarks, the more frequent interest conflicts and public policies developed in the scope of the Programa Brasil Quilombola⁴.

What the policy of promotion of racial equality consists of

Special Secretariat for Policies and Promotion of Racial Equality (Seppir), created in 21 March, 2003, promotes initiatives against racial inequalities in the Country. Its commitment is with the construction of a government policy that takes into consideration the interests of the black population and discriminated ethnic segments such as the gypsies. It involves, promotes and follows the execution of cooperation programs with public and private, domestic and foreign entities, for the protection of rights of individuals and racial and ethnic groups affected by discrimination. **For more information: www.presidencia.gov.br/seppir and blog.planalto.gov.br/politicas-publicas-para-a-populacao-negra-estao-na-pauta-do-presidente.**

1 The Calon group comes from the Iberian Peninsula, descending from the Cale group. They left India and settled in Spain, Portugal and, latter, in Brazil. Studies show that this group is present in Brazilian history since 1570.

2 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.

3 Errata: the data referring to land registration published in the last edition (July-August/09) is from 1995-2008 (102 deeds to 171 communities and 10.974 families). The exact area is 956,005.51 ha.

4 Held on September 17 and 18, 2009, with the participation of 60 public defenders of the whole Country.

YOUTH – PROJOVEM

Young people in prison have access to education and professional training

Until August, 2009, 240 young people from AC and RJ were registered at the Urban Prison ProJovem. Courses are given at the Milton Dias Moreira Prison in Rio de Janeiro (RJ), and in the Prison Complex Francisco D'Oliveira Conde, in Rio Branco (AC). Both states are the first to adopt this model of course in the Country.

Urban Prison ProJovem aims to reinsert young people into society

- It is an extension of the ProJovem Urbano Program for prisons. The objective is to ensure the right of education to young people in prisons, contributing to their reinsertion into society after the service of time. It is coordinated by the National Secretariat of Youth in a partnership with the Ministry of Justice, Pronasci, and state governments.
- The program, which lasts 78 weeks (1,248 hours in four weekly meetings) offers the completion of elementary school, vocational training and monthly scholarship of R\$ 100.
- Another center is forecasted for the state of Pará in October, 2009, with the opening of 300 vacancies.
- Currently, Brazilian prisons shelter 440,000 prisoners in more than 1,000 prisons. About 70% of these prisoners are young people between 18 and 29 years old, and 45% of the Brazilian prisoners have not completed elementary school, according to the Ministry of the Justice.

More than 310.000 registrations at the Urban ProJovem in 2008/09

- The National Programme for the Inclusion of Young People at the urban type registered until August, 2009, 310,402 young people in 21 states and 96 municipalities, surpassing the initial target of 300,384. The program reintegrates young people to the educational process, making possible the conclusion of elementary school, professional qualification and development of community actions.
- For October, 2009, the opening of another 47,589 registrations in 32 municipalities with more than 200,000 inhabitants and 52,200 registrations in municipalities with less than 200,000 inhabitants is forecasted.

Target, Registration and Municipalities Attended by the ProJovem Urbano, 2008-2009 (until August, 2009)

Beginning of Classes	N° of municipalities	N° of states	Target		Registrations	
			Urban Pro-Jovem	Urban Prison ProJovem	Urban Pro-Jovem	Urban Prison ProJovem
September/2008	24	1	70,724	-	70,724	-
April, 2009	55	16	179,150	-	188,139	-
July, 2009	16	3	43,850	-	45,893	-
August, 2009	1	1	6,660	260	5,646	240
Total	96	21	300.384	260	310,402	240

Source: National Coordination of ProJovem Urbano.

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 and blog.planalto.gov.br.

“MORE FOOD” AND “CROP PLAN”

New plan increases credit and benefits bigger number of producing families

The 2009/2010 Harvest Plan for Familiar Agriculture benefits 4.1 million families with R\$ 15 billion for funding, investment and trading transactions of the National Programme for Supporting Family Agriculture (Pronaf). Together with other measures to stimulate and qualify production, the policies of the government aim to promote food safety for Brazilians.

Increase of resources benefits millions of communities of rural farmers

- The volume of resources of the Harvest Plan 2009/2010 grew six-fold in relation to the R\$ 2.38 billion used for harvest 2002/2003.
- Production coming from familiar agriculture represents 70% of food arriving to Brazilian tables and 10% of GDP of the Country.

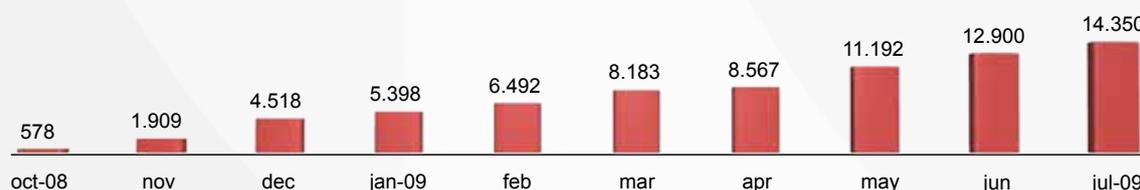
Main measures of the Harvest Plan for Familiar Agriculture

- Creation of the Familiar Agriculture Seal in order to identify the origin of products of familiar agriculture that arrive to consumers.
- Strengthening of Technical Assistance and Rural Extension (ATER) by means of PL no. 5,665/09 being debated under urgency by the National Congress.
- Consolidation of a new market for familiar agriculture products: a minimum of 30% of resources destined to school meals must be used for the acquiring of food coming from familiar agriculture and from the communities of rural farmers or their organizations¹.
- Broadening of the limits of the types of the Food Acquisition Programme (PAA) in relation to harvest 2008/2009: in the case of the type Direct Acquisition from Familiar Agriculture, from R\$ 3,500 to R\$ 8,000; and in the case of the type PAA Milk, from R\$ 3,500 to R\$ 4,000².
- Expansion of the limits of credit to farmers: Pronaf Funding increased from R\$ 30,000 to R\$ 40,000.

Programme has financed the purchase of 14,300 tractors

- Between October, 2008 and July, 2009, 14,350 tractors of up to 78 CV were financed and delivered to farmers in the whole of Brazil, by means of the programme More Food.
- In the first quarter of 2009, the programme answered for 75% of the sales of tractors of up to 78 CV and for 61% of the sales which include all tractors of all potencies, contributing to the modernization of the infrastructure of family units and for the increase of production of food.

Development of accumulates sales of tractors - More Food



Source: MDA.

What the “More Food” Programme consists of

The “More Food” Programme is a line of credit for the modernization of family agriculture. Besides the purchase of machinery and equipment, it 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. **More information:** www.mda.gov.br and blog.planalto.gov.br.

1 According to article 14 of Law 11,947 of June 16, 2009.

2 Value for period of 6 months, type PAA Milk is exclusively for the northeast region and the North of Minas Gerais.

THE ENVIRONMENT

Preservation of the environment and reduction of greenhouse gas emissions

In the last six years, the actions of the Federal Government guaranteed the reduction of deforesting in the Amazon Forest, preservation of natural resources and reduction of greenhouse gas emissions.

Deforestation decreases in the Amazon

- Deforestation decreased by 46% between August, 2008 and July, 2009 in relation to the same previous period. It is the smaller accumulated index since the survey began in May, 2004¹.
- New monitoring by satellite: previously restrict to the Amazon, it was extended to all biomes, and the deforesting index is published annually. This monitoring will calculate the emission of greenhouse gases, subsidizing the report foreseen at UN Convention on Climate Change.

Preservation Units (UCs): preservation and use of sustainable natural resources

- The UCs are delimited areas rich in relevant natural resources and receive protection guarantees that may be of full protection or sustainable use.
- Since 2003, 70 UCs were created, in a total of 26.4 million ha. There is a total of 304 UCs (76.5 million ha) in the Country.

Conservation and recovery of forests

- Granting of Public Forests for legal and sustainable exploration of the forest for up to 40 years. Forms of exploration: trees for the production of timber, non-wood products (oils, fruits, resins, ornamental and medicinal plants etc), and forest-related services such as ecotourism. Grantees are chosen by invitation to bid.
 - Three concession agreements were entered into for Unidades de Manejo Florestal da Floresta Nacional (Management Units of the National Forest) in Jamari (RO): 98,350 ha.
 - Three new invitations to bid related to forest concessions are forecasted for 2009, spanning 1.1 million ha of the forests Saracá-taquera (PA), Amana (PA) and Crepori (PA).
- Payment for environmental services: PL no. 5,487/2009 sent to the Congress.
 - Government will pay for initiatives for forest conservation and recuperation and also recuperation of degraded areas of rural use.
- Inspection and control: Ibama operations intensify fight against illegal wood exploration and fishing. 222 operations were concluded with apprehension of 130,000 m³ of wood (logs and lumber) and 149,000 kg of fish (2009).

Fighting plan against climate change

- Launched the National Plan on Climate Change (December, 2008). One of the targets is to drastically reduce the deforesting average in Amazon from 19,000 km²/year (1996 to 2005) to about 5,000 km² in 2017.
- PL 3,535/08 creates the National Fund for Climate Change, in debate by the Chamber of Deputies: resources to financing business for mitigation of climate change.

Urban preservation of environment

- Solar energy for popular housing: agreement entered into (March, 2009) between the Ministry of Environment and Energy and Caixa to benefit PAC units; creation of a working group to define technology use criteria for houses of the "My House, My Life" Programme.
- State Plans for the Integrated Management of Solid Waste: improvement of waste collection management, destination and waste treatment to avoid the creation of dump yards. 14 agreements were executed².

More information: www.mma.gov.br and blog.planalto.gov.br/dia-mundial-do-meio-ambiente.

¹ Refers to the Deter System - Detection of Deforestation in Real-Time. This system is affected by the clouds covering and is calculated monthly. Another deforestation monitoring system is the Prodes with annual calculations. Information related to 2009 was not yet published.

² Acre (AC), Alagoas (AL), Bahia (BA), Ceará (CE), Maranhão (MA), Minas Gerais (MG), Pernambuco (PE), Pará (PA), Piauí (PI), Ariquemes' region (RO), Rio de Janeiro (RJ), Rio Grande do Norte (RN), Santa Catarina (SC) and Sergipe (SE).

WOMEN

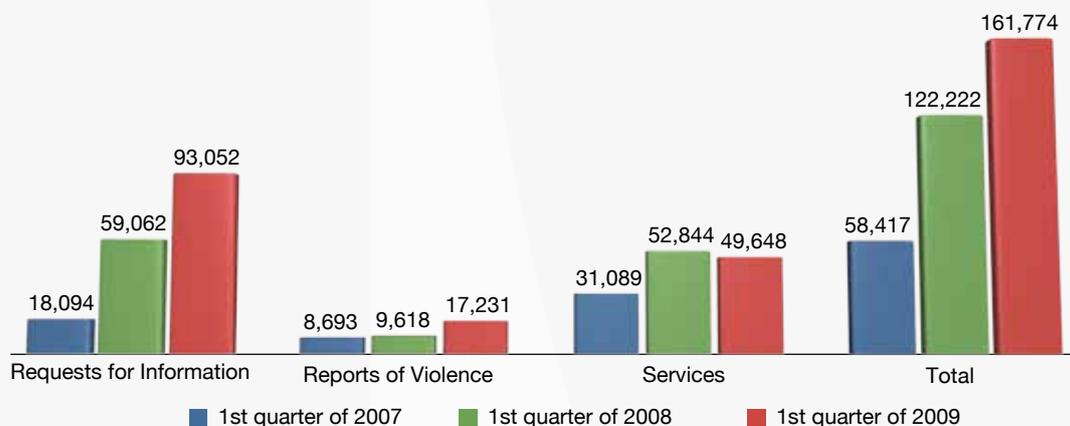
Award stimulates correct enforcement of Maria da Penha Law

Registrations for the Award for Good Practices of Enforcement, Divulging or Implementation of the Maria da Penha Law are open until March 8, 2010. This award, created in order to stimulate the correct enforcement of law, will be granted to legal or individual entities whose works or actions show the fight against domestic violence against women according to Maria da Penha Law.

“Call 180” Women’s Aid Centers

- 162,000 attendances were registered in the period January-June 2009 – an increase of 32.4% compared to the same period in 2008. More requests for information about the Maria da Penha Law were also registered (76,600 attendances)¹.
- 17,231 cases of violence were reported – increase of 79% compared to the same period of 2008.

Development of the number of attendances of the Call 180 Center



Source: SPM.

Women present proposals for public security

- During the 1st Public Security National Conference was presented the study “Women: Dialogues on Public Security” that identified women vision and their proposals for the improvement of public security in the Country².

Gender pro-equity encourages management towards equality of opportunities

- Programme promotes equality of opportunities for men and women, with the development of people management conceptions and organizational culture of corporations and institutions. It works by means of awarding of good practices and cataloguing of experiences.
- 23 entities were awarded at the 2nd edition of the Programme, and the initiatives are recorded in the “Catalog of Good Practices” launched in September, 2009 - www.proequidadedegenero.net.br.

What the National Pact to Dealing with Violence against Women consists of

It is a set of actions destined to prevent and fight all forms of violence against women, and must be put into action until 2011. Its priority is to attend female rural workers, black and Indian women. The pact is divided into four categories: consolidation of the National Policy of Dealing with Violence against Women and Implementation of Maria da Penha Law; fight against sexual abuse and women slave trade; promotion of gender and reproduction rights and fight against feminization of Aids and other STDs; and promotion of human rights of women in prison. In progress in 19 states: AC, AL, AP, BA, CE, ES, GO, MA, MG, MS, PA, PB, PE, PI, RJ, RN, SE, SP and TO. **More information:** www.spmulheres.gov.br and blog.planalto.gov.br/violencia-mulher.

1 Errata: the correct number of attendances in the period January to May, 2009 is 66,043, and not 79,900 as informed in edition July-August/09.

2 www.presidencia.gov.br/estrutura_presidencia/sepm/noticias/ultimas_noticias/not_mulheres_seguranca_estudo.

FISHING AND AQUACULTURE

Campaign makes the consumption of fish grow 60%

The “Week of the Fish”, promoted from September 1st to 15, helped sales of fish grow about 60%. To motivate consumption of fish, 70,000 banners and 2 million leaflets informed about health benefits provided by the consumption of fish. More than 70 supermarket chains and about 1.500 stores participated of the campaign. **See the campaign: www.semanadopeixe.blogspot.com.**

Fishermen and aquaculture workers receive credits from Pronaf “Mais Alimentos” (“More Food”)

- Fishermen and aquaculture workers have access to R\$ 500 million in financing from the Harvest Plan 2009/10. The limits are up to R\$ 100,000 for fisherman, with payment deadline of 10 years. The resources finance acquisition of nets, tarrafas (casting-nets) and puças (hand-nets)¹, modernization of boats and refurbishment of hulls.

Aquaculture parks may generate 36,000 job positions

- The Aquaculture parks at Furnas and Três Marias, in Minas Gerais, Ilha Solteira (SP) e Tucuruí (PA) have productive potential of 222,000 tons/year and may generate about 36,000 new job positions. Announcements of public concession for the granting of productive waters were published on June 24, 2009². 4,260 plots will be granted to familiar producers.

New boost for sustainable production of fish in Amazon to reach the market

- The project to develop production and sales of Amazon fish involves market research, training of fishermen, entrepreneurs and cooperatives, Union entities and investments in infrastructure. Developed in Brazil, Colômbia and Peru, the project receives R\$ 6 million from the Common Fund of Basic Project of the World Bank.

Aquaculture and fishing will have their own research center

- Embrapa Aquicultura e Pesca will coordinate and articulate the segment’s research, involving other study centers of the Country and will work in Tocantins. National and regional research network will be organized. The structure of the network estimates the engagement of researchers specialized in aquaculture and fishing for this year.

104 irregular fishermen identifications were cancelled in Mato Grosso

- The Federal Government is regularizing fishermen identifications in Mato Grosso. The work began in July, 2008, and was intensified after reports of undue payment of the fishing ban period insurance. From the currently registered fishermen, 2,777 were already notified, 28 proceedings were sent to the Federal Police and 104 fishermen identities were cancelled, with suspension of benefits granted by the Federal Government.

Cooperation agreements were entered into with Norway

- In order to promote the development of fishing and aquaculture in Brazil, various technological cooperation, academic interchange and research agreements were entered into with Norway.

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.**

1 Tarrafa: circular fine mesh cast net. Puça: tool used for getting fish onboard made of a handle and a net.

2 Errata: in the last edition we informed that the announcements for the aquaculture parks Furnas and Três Marias were published in June 4, 2009. On this date, the parks were announced.

PAC – ACCELERATED GROWTH

New sanitation projects increase water supply and sewage treatment

The new sanitation project of PAC, launched in September 2, 2009, contemplates 109 water supply and sewage treatment projects in 19 states and 90 municipalities, with financing of more than R\$ 4.9 billion. Priority was given to metropolitan regions, capitals and municipalities with more than 50 mil inhabitants. With this selection, PAC Sanitation reaches R\$ 33.6 billion and 1,818 projects selected.

Investments are expanded with PAC – Programa de Aceleração do Crescimento

- 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, 2009¹.
- There have been 133 actions in the logistics branch (roads, railways, shipping, airports, waterways and harbors), 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 duplication 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 harbors and 27 airports.
- Up to May, 2009, 4,400km of roads, 356km of railways, 91 ships, five airports, three waterways and one harbor had been completed.

Energetic Infrastructure

- Main actions: generation of more than 12,217 MW of electrical power; construction of 25,008 km of power lines; setting up the Abreu and Lima Refinery/PE and the premium refineries² in MA and CE; construction of 4,074km of gas pipeline; construction of 43 new biofuel 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 23 platform support vessels were ready.

Social and urban Infrastructure

- Main actions: “Light for Everybody”, underground railways, integration and revitalization 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 Next four-monthly report will be published in October, 2009.

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

PAC – SÃO FRANCISCO

Dom Pedro II's dream come true

More than one century ago the Emperor Dom Pedro II announced that he would spend the last jewel in his crown to guarantee water supply for all northeasterners, during a visit to the northeast and after knowing the scourge of drought.

The range of the project (see www.integracao.gov.br/saofrancisco)

- 12 million inhabitants of the semi-arid region – area with the worst shortage of water in Brazil – will have guaranteed water supply for consumption and production.
- The Project of Integration of the São Francisco River with Hydrographic Basins of the Northeast (PISF) benefits 390 municipalities of the agreste region and of the backlands in PE, CE, PB and RN and creates conditions for a significant change of the socio-economic pattern of the region.

The revitalization of the São Francisco River

- 199 municipalities will receive basic sanitation works in MG, BA, PE, AL and SE – investments of R\$ 1.5 billion. Works already finished in 10 municipalities and in progress in 103 municipalities.
- 800,000 ha of the basin will be revitalized, an area equal to almost one million soccer fields, by means of disaccretion¹, contention of embankments, protection of sources and running water areas and vegetable restoration.
- Actions aim to guarantee quantity and quality of water for multiple uses by the region of the São Francisco River and region benefited by PISF.

What is the Project like

- The integration consists of the diversion of 26.4 m³ of water/second to two collection channels – North and East – without deviation of the course of the river. This represents only 1.4% of the flow², without prejudices to the current use.
- The two channels are being built: North Axis that will bring water to the backlands of PE, CE, PB and RN, and the East Axis, that will benefit part of the backland and the agreste region of PE and PB.
- The North Axis leaves from the city of Cabrobó (PE) and will run through about 400 km supplying water to the rivers Salgado and Jaguaribe (CE), Apodi (RN) and Piranhas-Açu (PB and RN).
- The East Axis, collected at the municipality of Floresta (PE) will run through 220 km up to the Paraíba River (PB). The construction of 70 km that will link the East Axis to the basin of Rio Ipojuca is already forecasted.

The works at the collection axis

- The works are in progress with 7,400 workers, within the execution timetable. 18% of the works of each axis are ready. The conclusion of the East Axis is forecasted for the end of 2010, and for the North Axis the forecast is the end of 2012.



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. Modernizing 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 and blog.planalto.gov.br/assunto/pac.**

1 Consists of the removal of earth, sand or sediments from the river, channel or estuary.

2 Measured at the period of less output of the Sobradinho embankment (1,850 m³/s) on the stretched of river where the collection will happen.

AGRICULTURAL RESEARCH

Adequate handling of waste and sewage treatment are strengthened

The installation of 42 units of solid, chemical and agro chemical waste management and handling was initiated in Embrapa's centers. The units, appropriate for the storage, handling and disposal of pesticides containers guarantee the compliance of research center with environment law. Sewage treatment plants are being installed in 13 Embrapa's units. The investments on actions related to environment management increased from R\$ 3.9 million in 2008 to R\$ 6.2 million in 2009.

Revitalization of the Experimental Center of Pacajus (CE)

- The Experimental Center of Pacajus, of Embrapa Agroindústria Tropical (CE), receives: installation of a mini library to serve the community, unit for the management of waste and modernization works of the administrative headquarters. The improvements are made with resources from the Programa de Fortalecimento e Crescimento da Embrapa – PAC Embrapa.
- The strengthening of the infrastructure where the bigger dwarf cashew¹ germplasm bank is located, with more than 600 accesses, consolidates the training and research programme of cashew growers.
- Rural producers of Curimatã, Lagoa Seca and Cavalaria and all students and teachers of the region of Pacajus will have access to publications about cultivation techniques, handling and use of natural products in familiar agro industries.

Technology website increases information for agribusiness

- The website www.swagro.cnptia.embrapa.br offers information about *software* for use in the rural areas, names of companies that develop and sell this *software*, information about producer market and main requirements of the Brazilian agribusiness in information technology.
- The work is a result of the project "Estudo do Mercado Brasileiro de Software para o Agronegócio", led by Embrapa Informática Agropecuária (Campinas – SP) that aims to identify the supply and demands of software to the agricultural segment, as well as the construction of sceneries on the adoption of information technology by this segment.

New unit of Embrapa to be built in Tocantins

- The new unit – Embrapa Aquicultura e Sistemas Agrícolas – will be built in Palmas (TO) with an estimated cost of R\$ 12 million. Estimated completion of construction in December, 2010.
- The new research center will help increase Brazilian competitiveness in the fishing industry and improve sustainable agriculture. The unit will have a national focus on aquaculture and regional focus on agriculture.

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. The resources of the programme make possible the revitalization and modernization of the infrastructure of 17 Organizações Estaduais de Pesquisa Agropecuária (Oepas), that have already received R\$ 30.4 million. **More information: www.embrapa.br and blog.planalto.gov.br.**

¹ Cashew trees with different agronomical characteristics (small size and producing in less time) and coming from various regions of the world.

PERSONS WITH DISABILITIES

Course trains orthoses and prostheses technicians for public hospitals (SUS)

The first Technical Training in Orthoses and Prostheses¹ of the public system was initiated in August, 2009, in a partnership with the Ministry of Health and State Secretariat of Health of Mato Grosso. This secondary level technical course aims to train health professionals to work at orthopedic shops and physical rehabilitation centers.

Skilled professionals

- 35 students are registered at the Technical Training Course in Orthoses and Prostheses. They are public workers of the State Secretariat of Mato Grosso and of the municipal secretaries of Cáceres, Sinop and Diamantino.
- The professionals will be trained to work with measurement and molding of plaster, from the manufacturing of orthoses and prostheses to the adaptation of the patients to the equipment and periodic maintenance.
- Courses and orthopedic workshops are scheduled to happen in Alagoas, Pernambuco and Bahia.

Orthopedic Shops

- The shops manufacture prostheses and orthoses for distribution to SUS by Rehabilitation Services.
- Currently there is a shop in Teresina (PI) and another five are being built in: Maceió (AL), Salvador (BA), Caruaru (PE), Cáceres (MT) and Sinop (MT).
- The target is to have ten shops in the Country up until 2010.

Rehabilitation Services Network

- Physical and hearing thematic networks promoting rehabilitation and acquisition of orthoses and prostheses to persons with disabilities attend from 280,000 to 300,000 persons/year.
- From 2003 to 2009, 53 physical rehabilitation units were implanted, totaling 156 in existence in the Country; and 137 hearing health units (implantation began in 2004).
- The ruling related to the implantation of visual rehabilitation services at SUS was published in December, 2008. The current phase consists of the identification and adaptation of units that will form the network. There will be a total of 75 units in all Brazilian states.

More resources for rehabilitation

- The resources for the Health Policy for Persons with Disabilities were increased by R\$ 115 million in 2009: R\$ 75.5 million were already given to municipalities. The remaining R\$ 39.1 million will be destined to implantation of visual rehabilitation services.

The social agenda for inclusion of persons with disabilities

Launched on 26 September, 2007, it aims to promote more coverage by the actions for 14.5% of the population with some kind of disability. The Agenda includes integrated, articulated and complementary measures, considering accessibility in education, labor, health, social assistance, transportation, infrastructure and urban interventions areas, under the coordination of the Special Secretariat for Human Rights. Federal, state and municipal governments, as well as the private initiative, councils and organizations for the rights of persons with disabilities, families and the society participate of the agenda.

More information: www.direitoshumanos.gov.br and blog.planalto.gov.br.

¹ Prostheses is the device that replaces members, organs or part of members or organs; orthoses refers to external use devices, destined to align, prevent or correct deformities or improve the function of the parts.

INDIGENOUS PEOPLES

Indigenous peoples have access to social security benefits

Access to social security rights to indigenous peoples, to those that exercise handcraft or work in the household economy system, was granted in July, 2009. The right to receive the benefit will be recognized in 30 minutes. Funai is training 118 public workers in the Country to work towards proving the activities developed by the indigenous population as INSS' special beneficiary¹.

Federal Police and Ibama protect the lands of indigenous peoples

- Indigenous Land Marãiwatsédé (MT):
 - Pluma Operation, carried out in July, 2009 arrested members of the scheme of illegal occupation of land, issuance of false deeds and extraction of vegetable material.
 - Two farmers were notified by Ibama after Funai located 12 tractors deforesting the region².
- Indigenous Land Urubu Branco, of the people Tapirapé (MT):
 - An operation triggered in August, 2009, promoted the removal of 16 non-indigenous families. The area of 167,000 ha was homologated in September, 2008.
- Indigenous Land Serra Morena, in Juína (MT):
 - A thousand cubic meters of timber and machinery were apprehended in a joint³ that counted with the indigenous population of the region Cinta-Larga.

Maria da Penha Law for indigenous peoples

- Six workshops about the enforcement of Maria da Penha Law were carried out in 2009, to members of indigenous communities⁴. Until the end of the year, another six workshops will be carried out⁵.

Affirmative actions reinforce cultural links

- The new National Law of Adoption approved in August, 2009, guarantees to indigenous children and adolescents the right to be adopted within their own communities, thus avoiding the loss of identity and cultural links with their people of origin.
- Inaugurated on September 1, 2009, the Formation and Documentation Center Wajãpi (AP) to execute the Plano de Salvaguarda do Patrimônio Imaterial Wajãpi⁶ and formation of indigenous researchers, teachers and documentarists.

Demarcation of Indigenous lands

- Three ordinances that guarantee the right of exclusive and permanent use of the Indigenous Lands Tarumã, Morro Alto e Piraí (SC)⁷, were issued to the Guarani Mbyá people. This land was traditionally occupied by indigenous peoples, according to their uses, customs and traditions.

What the Social Agenda for Indigenous People consists of

Launched on September 21, 2007, it is dedicated to actions that guarantee the rights, protection of lands and social promotion of indigenous people. The National Campaign of Civil Registration, the Documentation of Indigenous Languages Programme and the implantation of Indigenous Points of Culture are part of the agenda. The increase of resources allowed the strengthening of the Protection Front for Isolated Indians and stimulus of projects for the increase of income in indigenous lands. **More information: www.funai.gov.br and blog.planalto.gov.br.**

1 Between September 3 and 5, 2009, in partnership with the Ministry of Social Security.

2 Due to the I'rehi Operation started in May, 2009, with the implantation of the permanent inspection post at Indigenous Land. Marãiwatsédé.

3 Triggered on August 12 and 13, 2009, mobilized agents of Funai, PF, Ibama and Força Nacional.

4 Passo Fundo/RS (February 17 to 19, 2009); Fortaleza/CE (March 4 to 6, 2009); Tangará da Serra/MT (April 25 to 27, 2009); Porto Velho/RO (June 3 to 5, 2009); Governador Valadares/MG (July 30 to August, 1 2009); and Palmas/TO (August 26 to 28, 2009).

5 Marabá/PA (September 23 to 25, 20/09) and Colíder/MT (October 7 to 9, 2009). To be scheduled: Maceió (AL), Belém (PA), Dourados (MS) and Xingu (MT).

6 Approved by Unesco in December, 2003, by the proclamation of the graphic art and oral tradition of the Wajãpi as World Heritage.

7 Ordinance no. 2,747 of August 20, 2009, Tarumã; nº 2,813 of August 21, 2009, Morro Alto; and nº 2,907 of September 1st, 2009, Piraí.

SOCIAL SECURITY

Agreement will guarantee real gain to retirees

8.2 million INSS beneficiaries who receive over one minimum wage (SM) will perceive a real benefit increase in January 2010 and 2011. The benefits will be adjusted by INPC plus a real gain equivalent to 50% of GDP variation of the second previous year. The agreement was closed in August 25, 2009 with CUT, Força Sindical, UGT and CGTB, and will be evaluated by the National Congress.

Other news related to the agreement

- Integral benefit to the beneficiary when the sum of the age plus the time of contribution reaches 85 years for women and 95 years for men¹.
- Guarantee of employment on the last 12 months before retirement; counting of the period receiving unemployment benefit as contribution time and freezing of IBGE's life table from the moment that the worker acquired conditions for retirement².
- "Mesa Permanente de Negociação" (Permanent Table of Negotiations), composed by trade associations, retirees and the Federal Government to deal with policies related to the valorization of retirees and the elderly.

Programme for the formal registration is expanded

- São Paulo, Rio de Janeiro and Minas Gerais, besides the DF, are now part of the programme of formal registration of the individual business person. These federation units comprise 4,025,604 individual business persons, according to PNAD 2007.
- From the beginning of the programme on July 01 up to August 31, 2009, 20,095 registrations were formalized.

Social Security will receive from the banks for the payroll

- From 2010 on INSS will receive from public and private banks from R\$ 0.11 to R\$ 2.70 for each new benefit paid, for 20 years. Before that, INSS used to pay R\$ 265 million of annual tariffs.
- The change of the mode of contracting will be applied to new retirements, from 2010 a 2014. The current benefits will suffer no change.

Urban social security show surplus of R\$ 13 million in July, 2009

- The balance of accounts at the urban area was registered for the 3rd time in 2009. The result comes from the increase in contributions and the decrease of expenses with the payment of benefits.
- The Ministry of Social Service started to publish the result of the General Regime of Social Security – RGPS separating rural and urban systems. The change of presentation model aims to show bigger transparency for the society of the resources applied³.

What the Social Security Policy consists of

The Social Security Policy of the Federal Government prioritizes the improvement of the attendance (reduction of queues and retirement in 30 minutes), expansion of branches and extension of access to 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 and blog.planalto.gov.br.**

1 In the case of teachers and other special beneficiaries, the sum will be of 80 years for women and 90 years for men. When the beneficiary fulfills the conditions of the formulae, the "Fator Previdenciário" is extinct for the calculation of retirements by time and age contribution, and is optional in the second case. Created with the aim of equalizing the contributions to the value of the benefit, the factor is based on four elements: contribution rate, age of the worker, time of contribution to the social security and life expectancy of the beneficiary (IBGE table).

2 IBGE Life Table shows the life expectancy of a Brazilian from birth. This information is used for the calculation of the life expectancy of the beneficiary at the moment of retirement, once that, the higher the life expectancy, the higher the incentive to postpone retirement.

3 The Constitution of 1988 incorporated to the RGPS as special beneficiaries the rural workers that work in household economy system. Those who are not able to prove the contributions made may do so by presenting Union declarations, statements from witnesses, or other means. In these cases the benefits will be covered by the National Treasury.

AGRARIAN REFORM

Credits guarantee housing, production and sustainability in settlements

Settlers may obtain up to R\$ 42,400 per family by means of nine different credit types for installation. The increase of values and types happened throughout the years as a means of adaptation to the new productive dynamics of the rural areas. Interest rates were reduced from 0.70% to 0.40%. From 2003 to 2008, more than 660,000 families were benefited by the Setup Credit, which allows the family to settle and produce in a sustainable manner.

Credits from Incra (National Settlement and Agrarian Reform Institute) – Types and Values in Thousands R\$

Initial Support	3.2
Women Support	2.4
Acquisition of Construction Material	15.0
Development	3.2
Development Add-on	3.2
Housing Recovery	5.0
Renovation of Production Credit	6.0
Environment Credit	2.4
Sub-Total (not counting semi-arid)	40.4
Semi-arid	2.0
Total	42.4

More houses for more brazilians in the rural areas

- From 2003 to 2008, 144,000 houses were built and 122,600 houses were recovered. Thus, the credit for the acquisition of construction materials benefited 266,600 families.
- The value of this type increased from R\$ 10,000 to R\$ 15,000 per family in 2009.

Gender equality at the Women Support

- In August, 2009, 34 women from the settlements Rosa de Luxemburgo and Nova Cajazeiras, in Ceará, were the first to receive this type of credit destined to women. The resources are used for the confection of nets, construction of mini poultry farms and breeding of sheep, chicken and swine.
- The Women Support Credit, of R\$ 2,400, allows female rural workers to buy machinery and equipment, production support goods, processing and trading, develop farm produce projects, medicinal plants and phytotherapics and stock breeding.

Environment preservation integrated to the producing process

- 80,000 settlers in the Legal Amazon may access, with priority, credit for the installation of seedling nurseries aiming to promote the planting and conservation of trees.
- The environment credit, of R\$ 2,400 per family, may be paid back in 24 monthly installments of R\$ 100.

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

The agrarian reform aims to democratize 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 and blog.planalto.gov.br.**

PUBLIC SAFETY – PRONASCI

Democratic management of the national policy for public safety

Three thousand representatives of the civil society, public authority and workers of the sector defined, at the 1st Conseg, ten principles and 40 guidelines for the National Policy of Public Safety for Brazil. The 1st Conseg was carried out in Brasilia, from August 27 to 30, 2009.

Results of the 1st Conseg

- The 1st principle deals with the consolidation of Pronasci as a state policy, with administrative, financial, budget and functional autonomy for the institutions involved in the three government levels, and minimal percentage application of the resources defined by law.
- Other principles of the national policy of public safety are (check on www.conseg.gov.br):
 - The bodies of the entities are defined by the Constitution.
 - Defense of Human Rights and Citizenship, strengthening the peace culture.
 - Conformation of public safety as a right of the citizen; priority to the strengthening of SUSP¹, Pronasci and the Conselho Nacional de Segurança Pública com Cidadania – Conasp (National Council of Public Safety with Citizenship).
 - Action by the municipality towards prevention of crime and violence.
 - Integration with social policies as a form of prevention.
 - Restructuring and humanization of the prison system, with the application of alternative measures to the loss of freedom.
 - Strengthening of the family and of the education as a condition for the prevention of violence.
 - Autonomy and independence from safety councils; Conasp is the highest decision-making body.
 - Giving of value to public security personnel by means of the guarantee of his rights and humanist formation.
- The 1st Conseg had 40% of representatives of the civil society, 30% of public security workers and 30% of the public authority. From March to July, 2009, 27 state phases, 266 municipal conferences and 1,140 free conferences (organized by social groups) in 514 cities were carried out.

Prevention against violence with community activities

- 8th Peace Territory established at the Tancredo Neves community in Salvador (BA) on July 28, 2009. 30 simultaneous actions were established to prevent and combat violence in the community.

Inspection of borders is strengthened

- By air: disclosure of the system Unmanned Aerial Vehicle-VANT (July 27, 2009) to fight traffic of drugs and weapons, smuggling, cattle rustling and piracy.
- Overland: the 2nd batch of investments from Pronasci reinforces border security and was delivered to Federal Polices, Federal Highway Patrol, Military and Civil Polices, Municipal Civil Guards in six municipalities of RS² (July 30, 2009). Motorcycles, cars, pick ups and computers were delivered. 37 municipalities will benefit with R\$ 10.5 million.

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. 21 states, the Federal District and 108 municipalities are part of Pronasci. Total investment: R\$ 6.7 billion until 2012. **More information:** www.mj.gov.br/pronasci and blog.planalto.gov.br.

1 Single Public Security System.

2 Arroio Grande, Cacequi, Canguçu, Jaguarão, São Francisco de Assis and Uruguaiana.

SANITATION AND INDIGENOUS HEALTH

13,000 pataxós benefited with the installation of an indigenous health center

The health center has multidisciplinary teams and indigenous health agents, and is an important step towards the solution of indigenous health problems. It is also responsible for the operation and maintenance of sanitation systems, monitoring of water quality and development of activities of health care and environment education. The Porto Seguro (BA) complex will benefit 13,000 indians of Pataxó ethnic group, in 23 villages of the municipalities of Santa Cruz de Cabralia, Itamaraju, Prado and Belmonte. Inaugurated in August, 2009, with an investment of R\$ 625,000.

Water supply in Tijucas (SC)

- Inaugurated the pump house and water reservoir of Tijucas (SC), benefiting 310 families. The construction comprises collection dam, water treatment station, chemical house and reservoir with capacity of 200,000 liters. The extension of the water supply network is 35,900 meters and the system operated by gravity, without the need of electric energy.

Water quality control in Viçosa (MG)

- Installed quality control equipment for the water destined to human consumption of the autonomous services of water and sewage of Viçosa (MG). The equipment attends the municipalities and indigenous lands of the Zona da Mata de Minas Gerais and helps the training of technicians water quality control.

Sewage and housing improvement in São Simão (GO)

- Housing improvement for the control of Chagas disease with sanitation drainage system benefits 14,300 inhabitants of the municipality of São Simão (GO).

Fighting Influenza A (H1N1) for the indigenous population of RS

- The incidence of cases in the indigenous areas of Rio Grande do Sul is daily monitored. Special procedures were defined for this indigenous population aiming to bring the experience to other indigenous areas of the Country. The data is sent to Funasa by the crisis bureau for fighting of the Influenza A (H1N1).
- 19,500 indians of the ethnic groups Kaingang, Guarani and Charrua live close to the border of Argentina and Uruguai, where incidence and mortality are concerning. There are no confirmed cases of the disease between the Indians of the state.

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 and blog.planalto.gov.br.

HEALTH

Campaign encourages breastfeeding

The campaign “Amamentação em todos os momentos” (Breastfeeding at all times), launched in August 2, 2009, aims to encourage and value breastfeeding, making mothers aware of the importance of breastfeeding for the infant’s health and decrease of child mortality. Breastfed children have less chance of suffering from diarrhea, pneumonia, diabetes, cancer or develop allergies. Besides receiving motherly care and affection.

New rules for medicines’ package insert

- Clearer information, objective language and standardized content ease the understanding by the patient, improve visibility of texts and avoid mistakes at the moment of prescription and use of medicines. The package insert will be available at the Internet and from 2011 will have to obey a new format, according to the rules published on September 9, 2009.

Auto medication will decrease with new rules for pharmacies and drugstores

- Only health-related products may be sold at pharmacies and drugstores.
- The medicines must be maintained in areas restricted to employees.
- Internet and telephone sales are allowed only by establishments open to the public and with pharmacist.
- Sales of medicines subject to special control are prohibited¹.
- Pharmaceutical services such as measuring and monitoring of blood pressure, body temperature and capillary glycemie, administering of injections and inhalations must be in compliance with the rules prescribed for the safety of users.

Units for the manufacturing of diagnostic materials in Paraná

- Manufacture of kits for the detection of HIV virus, hepatitis C and Influenza A and development of research projects for dengue fever, hantavirus, stem-cells and Chagas disease. This will reduce Brazilian dependence for the import of diagnosis kits.
- New unit of Fiocruz and industrial plant were inaugurated in Curitiba in a partnership with Hemobrás and the Government of Paraná.

Medicines with lower prices

- The People’s Pharmacy in Brazil: 517 units in 402 municipalities – initial target was 500 pharmacies until 2011. The units make 950,000 attendances per month with 107 medicines.
- “Here’s Your People’s Pharmacy”: 8,434 private pharmacies are registered by SUS in 1,562 municipalities. Target for 2011: 19,400.

Urgency attendances cover 112 million people – SAMU 192 (Call 192)

- 1,107 Basic Support Units² and 298 Advanced Support Units³ in 1,334 municipalities.

What the “More Health” Programme consists of

The “More Health” Programme defines rules and strategic measures that consolidate the perception of the Federal Government that health is fundamental to the socio-economic development of the Country. 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: bvsmms.saude.gov.br/bvs/pacsauade y blog.planalto.gov.br/assunto/saude.

1 Medicines and substances that can be sold only with the retention of the prescription.

2 Attendance and transportation of lower complexity cases with nursing assistant.

3 Attendance and transportation of high risk and emergencies that require intensive medical care and nursing.

TERRITORIES FOR CITIZENSHIP

Group Actions issue more than 400,000 documents for rural female workers

From January, 2008 to July, 2009, 777 Group Actions of the Territories of Citizenship worked for the issuing of 401,162 documents, by means of the “Programa Nacional de Documentação da Mulher Trabalhadora Rural” – PNDTR (National Program for Documents of the Female Rural Worker)¹. The actions were carried out through 13 units of the Expresso Cidadã (Female Citizen Express) – a bus equipped with satellite internet, power generator and other equipments – which enables the issuing of documents within one hour. Until the end of 2009 the target is to reach 24 units of the Expresso Cidadã.

Access to documents is guaranteed

- Female rural workers, settlers, extractive workers, quilombolas and fishers receive civil and labor basic documentation – birth registry, registry of private individuals (CPF), ID, employment document, INSS registration number and fisher registration.
- Besides promoting the issuance of documents, the Group Actions of PNDTR gives instructions about public rights and policies.
- PNDTR is developed by Ministry of Agrarian Development (MDA) in a partnership with: ministries MDS, MJ, MTE and MPA; Secretarias Especiais de Políticas para as Mulheres (SPM), de Direitos Humanos (SEDH) and Políticas de Promoção da Igualdade Racial (Seppir); National Social Security Institute (INSS); Federal Revenue Service; Caixa; Banco do Nordeste; secretariats for public security of state governments; and representatives of social movements for female rural workers.

Society and Government define more actions for the 120 Territories for Citizenship

- Territorial Debates – with 229 events and 16,700 representatives of the federal, state and municipal governments – resulted on the inclusion of new actions at the Framework of Actions 2009, and among them is the Sustainable Territorial Plan of the Marajó Archipelago.
- With the changes, the number of actions developed by the 22 ministries and government bodies grew from 180 to 203. The volume of resources increased from R\$ 23.5 billion to R\$ 24.6 billion in 2009.

Digital inclusion at Territories for Citizenship settlements

- The project Digital Territories establishes Digital Houses – telecenters with free access to computers and internet – in places of the Territories for Citizenship. It is a joint action of MDA, MC and other bodies of the federal, states and municipal governments.
- 54 Digital Houses in 50 municipalities of 31 territories were already established. The target is to reach 120 territories, completing the establishment of 100 Digital Houses (See article at page 62).

What the Territories for Citizenship Programme consists of

The Territories are composed of small sized municipalities according to the following criteria: lower Human Development Index (HDI); higher concentration of family farms and agrarian reform settlements; higher number of beneficiaries of the Family Cash Transfer Programme; higher concentration of quilombolas and indigenous population; higher number of municipalities with low economic dynamics and higher social organization. The implementation of actions defined by mutual agreement is followed by the communities. Actions from state and municipal governments may be included. It is hoped that the integration of public policies and investments may help improve HDI, avoid rural drift and surpass regional inequalities. The programme attended 60 Territories in 2008, and in 2009 there are 120 Territories. **More information:** www.territoriosdacidadania.gov.br and blog.planalto.gov.br.

¹ 946 Group Actions for the issuance of female rural workers documents were held in Brazil between January, 2008 and September, 2009. 508,306 documents were issued for 191,726 women.

TOURISM

Country invests in professional training aimed at tourism

The training programme improves the level of services offered, benefits the host-cities of the World Cup 2014 and stays as legacy for the society. The programme comprises three big projects: training in foreign language, training for owners of small businesses and workers who deal with tourists and training of tourism public administrators. The target is to train workers, business people and administrators of the tourism segment, besides inserting new professional in the labor market. R\$ 400 million will be invested.

Project "Hello, Tourist!" of training in foreign language

- The aim of the project is to train 80.000 people¹ until the World Cup 2014 with free distance-courses of English and Spanish.
- 500 professionals of Rio de Janeiro and Salvador, already working on the segment, are participating at the English course in a pilot-experience. Until December, 2009, 250 professionals of each host-city of the Cup will participate of English courses.
- In a partnership with Roberto Marinho Foundation, the initiative represents a total investment of R\$ 13.92 million from the Federal Government. **More information: www.olaturista.org.br.**

Training of tourism professionals

- Programa de Qualificação Empresarial e Profissional (Professional Training Programme) launched in Bahia (August, 2009) with investment of R\$ 4.8 million of the Prodetur.
- The target is to train 660 businessmen and tourism administrators, five thousand professionals of the segment and 260 craftspeople of Salvador and Entorno Complexes, who will participate of courses and seminars.
- The training will be implemented by Sebrae at Bahia and will involve the lodgings, food and beverages industries, tourist transportation, car rentals, tourism agencies and operators in a series of activities such as seminars and meeting groups.

Training of administrators of public policies of tourism

- Three thousand students started participation at the Formação de Gestores das Políticas Públicas do Turismo (Formation of Public Policies Administrators of Tourism) in August, 2009.
- A partnership between the Ministry of Tourism and Universidade Federal de Santa Catarina (UFSC), this is the second of the three courses to be carried out by the Programa de Qualificação a Distância para o Desenvolvimento do Turismo (Distance-training Programme for the Development of Tourism) launched in April, 2008.

Programme Next Step

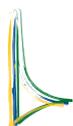
- Launched in 2009, the programme promotes professional training to beneficiaries of the Cash Transfer Programme in the areas of Tourism and Civil Construction. With 172,500 vacancies available for this year, 7.305 people were already attended See page 12.
- As regards the tourism segment, the courses offer 25,900 vacancies.

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.**

¹ Receptionists, telephone operators, waiters, local stall tenders, taxi drivers, tourist guides, craftspeople, police officers and other professionals of the segment who work in direct contact with the public. To take part the applicant must be registered at a tourism-related entity.

Electronic version:



HIGHLIGHTS

Actions and Programmes of the
Federal Government of Brazil

www.presidencia.gov.br or www.brasil.gov.br

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

destaques.secom@planalto.gov.br with the word "incluir" in the Subject Field, indicating the version of your choice: Portuguese, English and/or Spanish.

3

UPDATES

BRAZIL AND THE FINANCIAL CRISIS

The Country was one of the last to suffer the impact of the crises and one of the first to recover

The growth of the GDP by 1.9% in relation to the previous quarter shows that the recession is on the past. The reaction of the government in 2008 was fundamental for the recovery: measures improved liquidity and credit, strengthened the internal market, thus recovering consumption and trust of businesspeople and population.

Signs of recovery

- Growth of GDP: 2nd quarter of 2009 was 1.9% higher than the 1st quarter of 2009 (see page 3).
- Exports and imports are recovering since March, 2009.
- Bovespa shows the higher valuation of the year.
- Expansion of employment, income and payroll encourage domestic consumption.
- Retail trade recovers on the first four months of the year and show growth of 4.7% (January to July).
- Registration of vehicles: record at the first six months of 2009. Brazil is the fifth bigger market of the world.
- Recovery of confidence of businessmen and use of installed capacity.
- Job positions at industry grow after nine months of fall.
- Formal employment accumulates positive results of over 400.000 positions for the year.
- Decrease of unemployment measured for the economically active population.

Government measures to recover economy

- The Country has shown economic strength and ability to implement an anti-crisis policy and pro-active tax policy.
- Improvement of liquidity and credit guarantee: use of part of the reserves to finance exports; decrease of compulsory bank deposits; auction of dollars and currency swaps with other central banks; cuts in basic interest rates.
- Maintenance of the economic activity: reduction of taxes (automobile industry, white goods and construction material); Programme My House, My Life, to finance one million houses; better financing conditions to agriculture; more resources for the shipbuilding industry; input of R\$ 100 billion to BNDES; keeping up of investments (PAC).
- Maintenance of consumption by the families: increase of social programmes (Cash Transfer Programme), two extra payments of the unemployment benefit and credit.
- See on Page 61 a summary of the measures adopted to stimulate production.

Prospects for 2009

- Predictions indicate that Brazil will see economic growth, reduction of deficit in bank-accounts, stability in the international reserves, a positive capital flow, creation of job opportunities and the recovery of credit expansion.

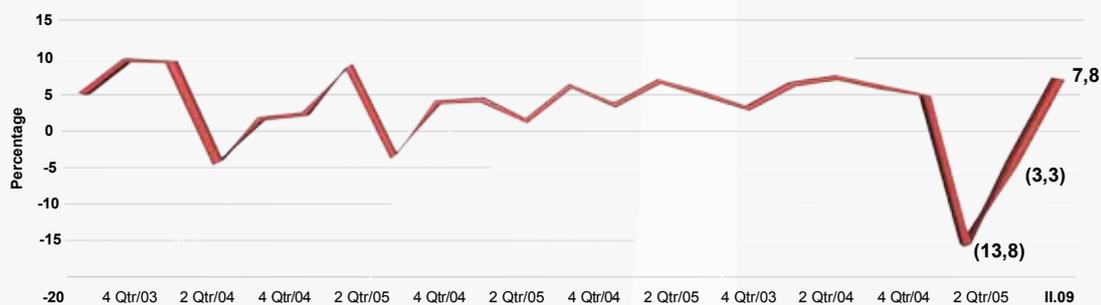
Impacts of the crises

The international crisis that began in the North American financial sector led to falls in growth rate at various countries from September, 2008. In Brazil the crises caused strong economic slowdown at the last three months of 2008, and a weak performance at the first three months of 2009, as well as a fall in production and job positions and decrease of export and import from the third three-monthly period of 2008. **More information:** www.fazenda.gov.br, www.bcb.gov.br e blog.planalto.gov.br/adeus-crise-economica.

BRAZIL AND THE FINANCIAL CRISES

After strong fall at the last quarter of 2009, GDP starts to grow in the second three months of 2009.

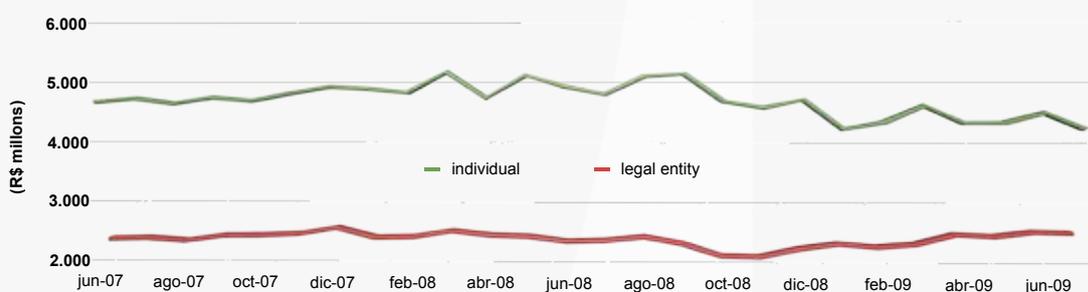
GDP growth in comparison to the last three months, in annual rates, with seasonal adjustment.



Source: IBGE.

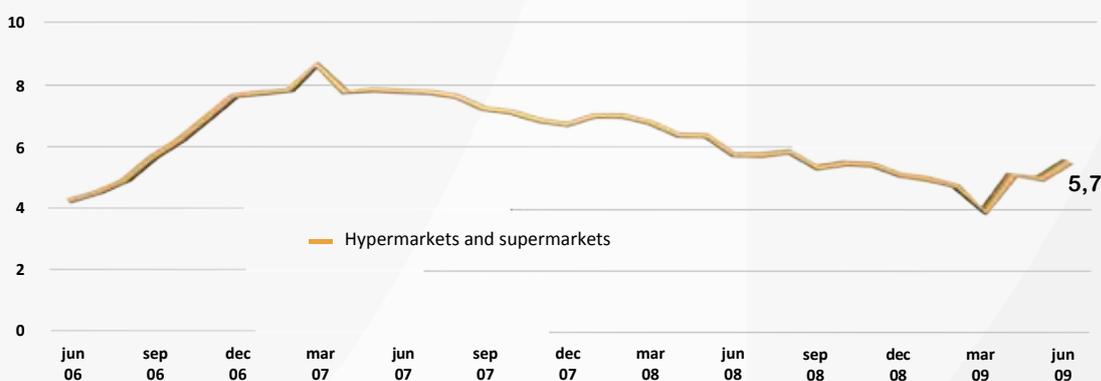
Note: Calculation of effective annual rates refers to the projection of the same three-monthly period value drawn up.

New credit concessions



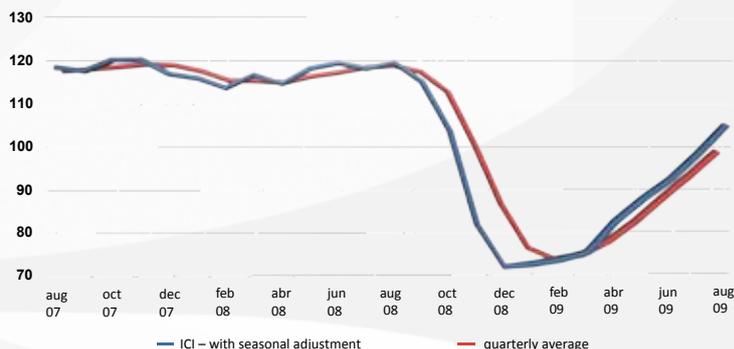
Source: Central Bank of Brazil

Retail trade reacts



Source: IBGE.

Businessmen recover confidence



Source: Getúlio Vargas Foundation

CREDIT

New record of credit volume of the national financial system

Credit surpasses the amount of R\$ 1.3 trillion in July, 2009. This is the biggest volume of a historical series. The comparison between total loans and GDP is also a record. Credit supply for private individuals also grows in a meaningful way – especially for consigned credit – and encourages economy.

Volume of credit increases by 243% in comparison with 2003

- The total volume of credit of the financial system reached R\$ 1.311 trillion in July, 2009, with an increase of 243% in relation with January 2003. It is the biggest value since the beginning of the series in 1995.

Total Credit Volume (R\$ billions)



Source: Central Bank of Brazil.

- The relation between total credit and GDP is 45% (July/2009). Highest level since 1995.

Credit supply for private individuals grew five-fold, especially for consigned credit

- Transactions with free resources for private individuals grew from R\$ 88.5 billion (January, 2003) to R\$ 442.3 billion (July, 2009) (+400%).
- Average interest rates for these transactions fell from 83.6% a.a. (January, 2003) to 44.9% a.a. (July, 2009).
- Consigned credit answers for more than half (57.4%) of the personal credit. In July, 2009, the volume reached R\$ 94.6 billion.

Bank of Brazil leader at the bank ranking again

- Bank of Brazil recovered the post of the biggest Brazilian and Latin America bank. Its assets total R\$ 598.8 billion. Itaú Unibanco is the second in place with R\$ 596.4 billion.
- The credit concession during the economic world crisis was fundamental to the return to leadership. Recently, BB has increase credit supply by R\$ 36.7 billion, highlighting a credit line of R\$ 13.9 billion for micro and small companies.
- Participation of public banks at the total portfolio of the financial system still grows: from 38.6% in June, 2009, to 39.9% in July, 2009. During this period, the participations of private domestic and foreign institutions fell, respectively, from 41.5% to 40.9% and from 19.9% to 19,2%.

Guided Productive Micro credit is increased

- Programa Nacional de Microcrédito Produtivo Orientado - PNMPO (National Guided Productive Micro credit Programme): resources have increased threefold in comparison with 2005 (R\$602 million) and 2008 (R\$1.807 billion). During the first six months of 2009 disbursements have totaled R\$986 million.

What consigned credit consists of

Authorized by Law 10.820/03, the consigned credit allows discount in the payroll of loans, financings and leasing granted by financial institutions and leasing agents. **More information:** www.planalto.gov.br/ccivil_03/Leis/2003/L10.820.htm and blog.planalto.gov.br/a-importancia-dos-bancos-publicos.

EMPLOYMENT

Formal employment grows for the seventh consecutive month and reached a new record for the period

In August, 2009, 242,126 new registered job positions were created according to Caged. This result makes this August the best of the historical series and confirms the recovery of employment.

More than 680,000 job positions created from January to August, 2009

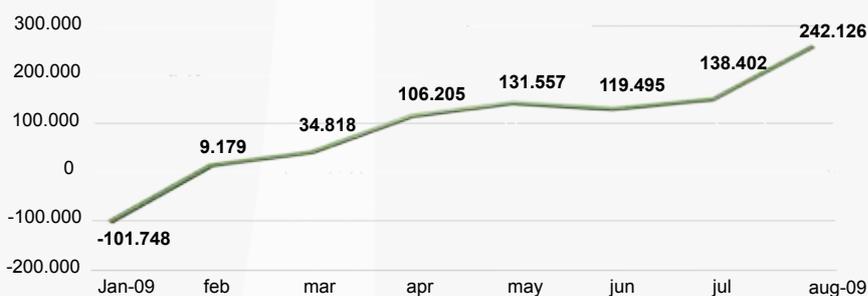
• In August, 2009, there was expansion to almost all sectors, especially for:

- Services (+85,568 job positions) and processing industry (+66,564 job positions) that obtained the second better performance for the month.

- Trade (+56,813 job positions) and civil construction (+39,957 job positions), both reaching record results for the period.

- The best results for the month were: São Paulo (+77,983 job positions), Pernambuco (+18,990 job positions) and Rio de Janeiro (+15,841 job positions).

New registered formal jobs (monthly balance)



Source: Caged – Lei 4.923/65.

• The year-to-date (January to August) amount is 680.034 new job positions.

Employment inventory¹ of 39.4 million job positions in 2008

• 1.834.136 new formal job positions were created in 2008 according to Rais, a growth of 4.88% in comparison with December, 2007.

• The industries with higher creation rate of job positions are services (645,635), trade (483,193), civil construction (296,607) and processing industry (228,673).

• The Country closed the year with 39,441,566 registered formal jobs.

13.9 million job opportunities were created since January, 2003

• From January, 2003 to August, 2009, 13,959,238 formal and informal job opportunities were created². 11,437,687 are formal positions³.

Unemployment in 2009 is the second lowest in historical series

• The average yearly unemployment rate in 2009 at the six regions surveyed by IBGE – Recife, Salvador, Belo Horizonte, Rio de Janeiro, São Paulo and Porto Alegre – is 8.5%. This is the second lowest rate since the beginning of the series in 2002, losing only for the 7.9% rate observed in 2008.

• In July, 2009, the unemployment rate was 8%.

What Rais consists of

Relação Anual de Informações Sociais (Annual Report of Social Data) was introduced in 1975. It refers to an annual census of the formal employment. Its main objectives are to meet the requirements for control of employment activity in the Country, furnish data for the preparation of statistics related to labor and make labor information available to government entities. **More information: www.mte.gov.br/rais/default.asp and blog.planalto.gov.br.**

1 Refers to the total amount of jobs existing in the Country.

2 Estimate from data furnished by Pnad (2003-2007) and Caged (2008-2009).

3 According to data by Rais (2003-2008) and Caged (2009).

EXPORTS

External market still resents the effects of the international economic crisis

External market still resents the effects of the international economic crisis. Brazilian exports for the year-to-date 2009 for the main destinations still falling: -45.1% for USA (US\$ 10 bi), -36% the Latin America and the Caribbean (US\$ 21.1 bi) and -28.8% for the European Union (US\$ 22.1 bi). However, sales to Asia grew 3.9% (US\$ 25.8 bi) in view of the increase by 21.3% (US\$ 14.4 bi) of exports to China, from January to August, 2009.

Brazilian exports fall 30% in August

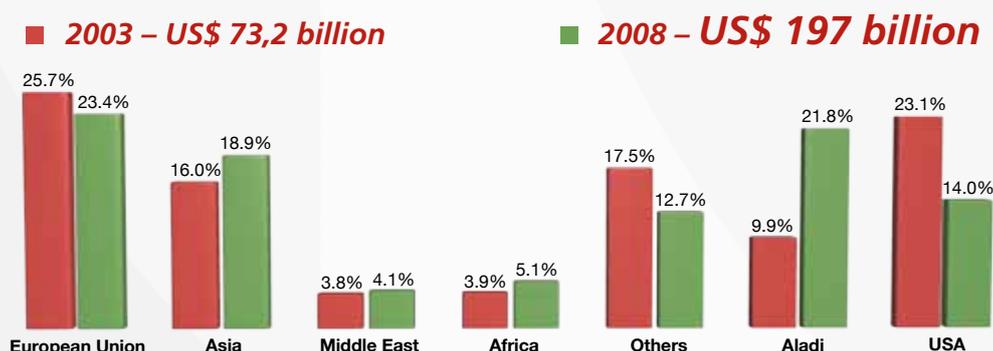
Brazilian Trade Balance - US\$ billions (FOB)



Source: SECEX/MDIC.

- Brazilian exports reached US\$ 13.8 billion in August, 2009: fall of 29.9% in comparison with August, 2008, and 2.2% in comparison to July, 2009.
- Considering the year-to-date, exports reached US\$ 97.9 billion, with a fall of 24.7% in relation to the same period of the previous year. Imports reached US\$ 77.9 billion: fall of 31.1% in relation to accumulated imports between January to August, 2008.
- The trade balance of US\$ 20 billion for the year-to-date was 18% higher than the same period of 2008.

Main destinations for Brazilian exports – 2003 and 2008



Source: Secex/MDIC. Prepared by Apex-Brasil..

Brazil increases participation in the global trading the diversifies commercial partners

Brazilian exports grew from US\$ 73.2 billion in 2003 to US\$ 197 billion in 2008: an increase of 170%. Participation at the global trade increased from 0.99% to 1.39%. At the same time there was a diversification of destinations, with bigger participation from the countries of Aladi (119%), Africa (31%), Asia (19%) and Middle West (6%). In contrast, there was a fall of 40% in the participation of USA and 9% at the participation of European Union. These regions still are the bigger export partners. **More information:** www.apexbrasil.com.br and www.desenvolvimento.gov.br.

ZERO HUNGER – SOCIAL MOBILIZATION

Familiar agriculture supplies school meals

Sanctioned in June, 2009, Law 11.947 extends the National School Meal Programme (Pnae¹) to students of secondary schools and training courses, and required that 30% of resources made available by the Union for the purchase of school meals be made directly from familiar agriculture. The law encourages the purchase of products from local communities, especially food produced by small growers, settlers, indigenous and quilombola communities that attend criteria of environment sustainability.

Food: a right of all

- PEC 47/2003, which includes food at the text of the Federal Constitution as a right of all Brazilians, is being debated at the Chamber of Deputies. It is an initiative of Conselho Nacional de Segurança Alimentar e Nutricional – Consea (National Council for Food and Nutritional Safety).
- A publicity campaign was broadcasted in August, 2009, with the collaboration of artists from the Movimento Humanos Direitos (Human Rights Movement) – www.planalto.gov.br/Consea/static/eventos/PEC/video/pratos.wmv.

Rede de Educação Cidadã (Network of Citizen Education) for the social control of food safety policies

- Brings together voluntary teachers and popular entities, small neighborhood associations and social movements on the 26 states and DF aiming to participate and help formulate and control food and nutritional safety policies encouraged by the Zero Hunger Programme.
- Workshops and meetings with national, state, macro and micro regional pedagogic activities reach 54,000 people in the whole Country, in the first six-monthly period of 2009.
- Events cover popular organization processes about political education, citizenship, participation, democracy and the construction of alternatives with economically and socially vulnerable groups, inserted in public policies.
- Programa Nacional de Formação 2009 – 2011 (National Formation Programme)
 - Defined by a meeting of teachers from the whole of Brazil in April, 2009, it aims to develop formation processes for educational nucleuses in communities, organizations and social and popular movements. 3,300 workshops, 135 state meetings, five macro regional meetings and three national meeting are scheduled to happen from October, 2009.

Programa Escolas Irmãs (Sister Schools Programme)

- Established in 2005, the Programme forms a collaboration network between schools aiming to share experiences and pedagogical exchanges, emphasizing solidarity ideas.
- Involves 402 public and private schools, besides two schools abroad (Angola and Mozambique) reaching 123,000 students.
- IV Encontro Nacional de Escolas Irmãs (4th National Meeting of Sister Schools) was carried out in Brasília, in April, 2009, with the presence of 300 participants, among teachers, students, social movements, public workers and the society in general, for the exchange of pedagogical experiences and other concerns of the school community.

What the Social Mobilization Agenda of the Zero Hunger consists of

Created in 2003 and linked to the Presidency of the Republic, its mission is to encourage social mobilization around Zero Hunger and other social programmes. It coordinates the Rede de Educação Cidadã (Talher Nacional), the Programme Escolas Irmãs, and works in a partnership with the Committee of Bodies Fighting against Hunger and for Life (Coep) at the Programme Pró-Comunidades. It attends homeless people, settlers, indigenous populations, quilombolas, women, youngsters and unemployed. **More information:** www.recid.org.br, www.brasil.gov.br/escolasirmas and www.coepbrasil.org.br.

¹ One of the biggest food programmes of the world, the Pnae offers at least one daily meal to 45 million children and adolescents in the whole of Brazil.

INFLUENZA A (H1N1)

Decrease of critical cases

Registries show that the transmission of virus H1N1 and critical cases are decreasing in Brazil¹. The protocol of OMS prioritizes the monitoring of critical cases. In view this, less critical cases are not notified – as in any other epidemic – except in cases of outbreaks.

Distribution of Tamiflu (oseltamivir phosphate)

- More than one million treatments² were distributed for the states between April 25 and September 4, 2009. From the total, 800,000 were acquired from Roche laboratories and 210,000 encapsulated at the Farmanguinhos laboratory of the Oswaldo Cruz Foundation.
- Brazil has 8.5 million treatments of oseltamivir phosphate in the form of raw-material strategically stocked in barrels.

Target for 2010

- To keep a comfortable strategic inventory with the acquisition of 11.2 million treatments ready for use, in case of a recurrence of the disease at the next winter. Delivery is scheduled for May, 2010.
- Vaccinate at least 36.5 million people.
- Equip hospitals, acquire diagnostic material, increase the number of beds at ICU, train professionals and increase shifts at health units.

Evolution of strategies adopted at the Country to fight the virus

- Blocking of the virus from entrance: Brazil was able to delay the entrance and spreading of the disease for 82 days with surveillance action in ports, airports and borders. It was necessary to monitor, put in quarantine, instruct and treat people to guarantee sanitation blockage.
- Distribution: with the multiplication of imported cases, the virus spread and started to freely circulate in the national territory (recognized in July 16, 2009).
- Mobilization of the assistance network: attends, gives attention, instruction, care, admission, treatment of critical cases and distribution of medicines.
- Monitoring and detection: state and municipal health secretariats intensify monitoring and detection process of suspect cases and organize the necessary assistance network.

Actions developed by the Federal Government in a partnership with state and municipal governments

Monitoring and surveillance actions; notification of cases; monitoring of ports, airports and borders; instructions to travelers; assistance for sick people and in case of contact; broadcasting; structure of surveillance networks and health care; acquisition of materials and treatments; development of plant throughput of vaccine against the new virus. **More information: portal.saude.gov.br, blog.planalto.gov.br/h1n1-sob-controle-no-brasil and **Disque Saúde 0800 61 1997.****

1 Critical cases: 1,165 (August 9 to 15); 639 (August 16 to 22) and 151 (August 23 to 29). Between April 25 and August 29, 7,569 critical cases with laboratory confirmation for any kind of influenza were confirmed and 7,569 critical cases with confirmation for H1N1.

2 Amount of doses recommended for the treatment of a person with the virus.

PUBLIC MANAGEMENT

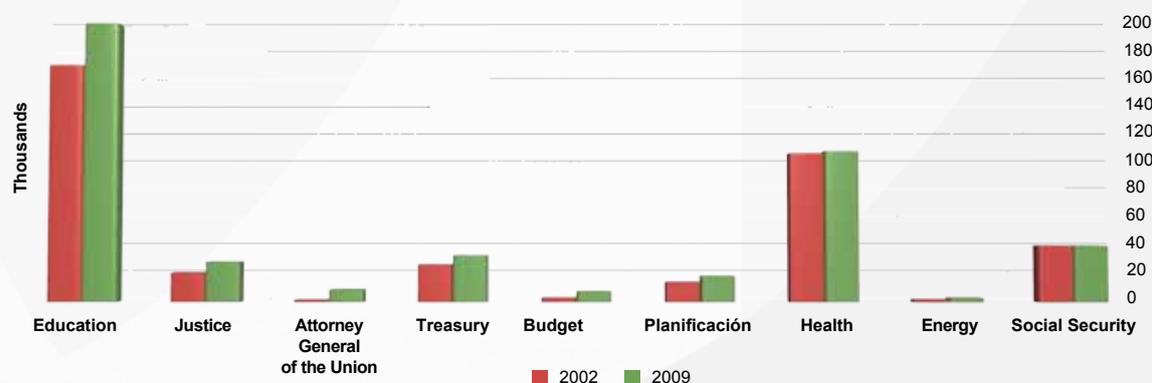
Health, education, social security and safety are strengthened with new professionals¹

Entering of workers approved at civil service exams expands and strengthens the implementation capability of federal public policies, constitutes new structures and recovers work force lost due to retirements, death and labor turnover. The remodeling is concentrated in key areas for the development of the Country and linked to services to the citizen.

Sectors of the public services benefited by hirings

- From January, 2003 to May, 2009 there was an increase of 57,100 active public workers: 11% over the number of January, 2003, resulting in 542,843 public workers. This increase is lower than the increase of formal employment at the Country in the period, which was 39%. The total of public workers in 2009 is similar to 1997.
- The sectors strengthened by the new recruiting policy of the Federal Government were:
 - **Education:** more than 29,226 public workers, of which 14,833 are teachers – to make viable the establishment of the PDE. Represents more than 50% of the registered increase of work force since 2003.
 - **Justice and Public Security:** more than 7,640 public workers, especially for the Federal Police.
 - **Union Defense:** more than 7,223 public workers: 1,154 federal attorneys and 989 lawyers.
 - **Inspection and Collection:** more than 6,472 public workers¹: 962 attorneys of the Treasury, 693 tax auditors and 910 tax analysts. Strengthens the fight against tax evasion and improvement of tax collection, without the creation of new taxes.
 - **Creation of strategic bodies:** increase of 4,388 public workers at the Presidency of the Republic to work in areas responsible for the transparency and fight against corruption, and for special secretariats that work with strategic issues³.
 - **Budget and Management:** increase of 4,124 public workers for management⁴, infrastructure⁵ and IBGE.
 - **Health:** increase of 4,124 public workers, and hiring for reposition of personnel from administration at hospitals, regional nucleuses and institutes linked to the sector.
 - **Energy:** 1,141 more public workers for sectors related to the implementation of PAC and regulation (ANEEL, ANP e DNPM).
 - **Social Security:** no net increase because the hiring of workers for Social Security (6,668) and Medical Expert (3,000) - for the establishment of new agencies of INSS and improvement for the attendance of citizens - served the purpose of replacing losses.

Sectoral evolution of the labor force – active civil public workers by government body (December, 2002 to May, 2009)



Source: Seges/MP.

More information: www.planejamento.gov.br and blog.planalto.gov.br.

¹ Changes were made to the page published September 16, 2009, in order to obtain more clarity to information.

² Around 4.000 auditors of the Social Security were incorporated in 2007 when the Federal Revenue Services were structured.

³ CGU, SPM, Seppir, Human Rights, Fishing, Ports and SAE (including Ipea).

⁴ Public policies and government management specialists and management and budget analysts.

⁵ Directed to sectoral ministries that implement the Accelerated Growth Plan (PAC).

RELATIONSHIP WITH THE STATES

States receive more investments in order to ameliorate the effects of the crisis

The Federal Government adopted measures to ensure investments for the states that faced fall of transfers from the Fundo de Participação dos Estados – FPE (States Participation Fund) because of the international economic crises. Among the measures, the Programa Emergencial de Financiamentos – PEF (Emergency Financing Programme) and the Programa de Ajuste Fiscal – PAF (Tax Adjustment Programme) are highlighted.

Programa Emergencial de Financiamentos (PEF)

- Compensates decrease of income of the state governments and DF. BNDES finances:
 - Investment in public works; equipment and installations; permanent material; and participation at the constitution or increase of the capital of corporations and industrial or agricultural entities.
 - Increase of the capital of companies and commercial or financial entities.
 - Capital transfer: repayment of national debt; support for public works and equipment and installations.
- R\$ 4 billion were destined to the 26 States and the DF in 2009.
 - Resources must be used for the maintenance of investments scheduled at the pluriannual plans and Annual Budget Laws.
 - States and DF have up to December 31, 2009 to contract the operations. Deadline for payment: 8 years, with payment to begin after one year.
 - The maximum financing index for each state was proportional to the participation of each state at the FPE.

Resources destined to the States according to the Programa Emergencial de Financiamentos (PEF)

State	Value (R\$ millions)	State	Value (R\$ millions)	State	Value (R\$ millions)
Acre	136,84	Maranhão	288.73	Rio de Janeiro	61,11
Alagoas	166,40	Mato Grosso	92.32	Rio Grande de Norte	167,12
Amapá	136.48	Mato Grosso do Sul	53.28	Rio Grande do Sul	94.19
Amazonas	111.62	Minas Gerais	178.18	Rondônia	112.62
Bahía	375.85	Pará	244.48	Roraima	99.23
Ceará	293.48	Paraíba	191.56	Santa Catarina	51.19
Distrito Federal	27.61	Paraná	115.33	São Paulo	40.00
Espírito Santo	60.00	Pernambuco	276.01	Sergipe	166.21
Goiás	113.72	Piauí	172.86	Tocantins	173.60

Programa de Ajuste Fiscal (PAF)

- The Federal Government approved the review of the tax adjustment programmes of 11 states¹, increasing the indebtedness limits by R\$ 6.65 billion. The resources are applied in financings to be used as investments in infrastructure and works at the social area.
- Only states that compromise with reducing their debts with actions that qualify public expenditures and show effectiveness and efficiency of public management may benefit from PAF.
- With the PAF review, the advantages and credits destined to the debtors were extended to states that have no debts with the Union, such as Amapá and Tocantins².

More information: www.portalfederativo.gov.br and blog.planalto.gov.br.

1 AP, AM, CE, DF, MT, MS, PA, PI, RR, SP and TO.

2 2 Claim made at the Governors Forum of the Legal Amazon

RELATIONSHIP WITH THE MUNICIPALITIES

Partnership with mayors seeks solution to overcome the impact of the crisis on municipalities

During the XII Marcha a Brasília em Defesa dos Municípios (9th March to Brasília in Defense of Municipalities) from July 14 to 16, 2009, the Federal Government announced new proposals for the combat to the economic crisis, strengthening the republican dialogue relationship and partnership with all mayors of Brazil.

Municipalities receive more resources

- New measures from the Federal Government announced during the March of Mayors increase the economic capability of municipalities:
 - Reduction of up to 40% at the trade-off value of PAC to states and municipalities in sanitation and housing Works. Municipalities and states participate with 10% to 20% of the total investment.
 - Launching of a new special line of the Way to School Programme¹ for the acquisition of 4,043 buses and 1,500 boats for school transportation. 1,827 destitute municipalities are benefiting from this Programme.
 - Operacionalization of the "My House, My Life Programme" to municipalities with less than 50,000 inhabitants: subsidy of R\$ 1 billion to families with income of up to three minimum wages.

Debts and credits of municipalities with the Social Security

- Credits from municipalities with INSS² will be received in installments of R\$ 500,000 from October, 2009. Social Security debts of the same municipalities will also be compensated.
- Task forces of the Federal Revenue Services of Brazil and Office of Attorney-General of the National Treasury to survey expired social security debts in order to make a new calculation of municipalities' debts³.

New agreement strengthens cooperation between municipalities and the Union

- New Protocol on Federative Cooperation 2009/2010⁴ entered into by municipal entities of the Comitê de Articulação Federativa – CAF (Committee for the Federative Coordination) attends main claims of municipalities:
 - Effort for the approval of projects in discussion at the Chamber of Deputies: PEC of the tax reform; PEC nº 351/09 that creates the special regime for the payment of precatories; and urgency for the regulamentation of PEC nº 29 which deals with the linking of resources for the health area.
 - Effort for the approval, at the Federal Senate, of PL nº 32/07 that changes Bid Law.
 - Effort of the institutionalization by law of CAF and other federal programmes (definition of competencies, financing methods and updating of resources) aiming to secure the continuity of programmes by the municipalities.

Comitê de Articulação Federativa – CAF

CAF was created in 2003, by means of a protocol of federative cooperation entered into by Casa Civil (General Secretariat of the Office of the President) and municipal entities (Associação Brasileira de Municípios, Confederação Nacional de Municípios and Frente Nacional de Prefeitos). In 2007 it was instituted as a formal level of the Secretaria de Relações Institucionais da Presidência da República (Secretariat of Institutional Relations of the Presidency of the Republic), formed by representatives of 18 ministries and the same number of representatives of municipal entities. **More information: www.portalfederativo.gov.br and blog.planalto.gov.br.**

1 The National Monetary Council reduced interest rates for the programme: from TJLP (currently 6%) + 4%, to 4.5% per year. Term for payment from 72 months (renewable for 6 months) to 96 months (renewable for 12 months).

2 According to Decree 6,900/09. Creditor municipalities are those that, for example, make the payment of inactive public workers who for a time contributed with INSS, but not with the social security service of the municipality.

3 The action aims to attend Binding Summary no. 8 of STF which determines that the disposition of Decree-Law 1,569/77 and Law 8,212/91 – that foresee the term of ten years for expiration and decay of the tax credit – are unconstitutional. According to the Court, the National Treasury must use the general ruling of five years

4 The Protocol is an agreement between Union and municipalities that indicates a common agenda that must be defended by both.

4

LIBRARY: ARTICLES, SPEECHES AND RESEARCH

THE PRESIDENT AND THE PRE-SALT LAYER

Brasília, Federal District, August 31, 2009

In a speech during the announcement of the proposal for a new regulatory model for the exploration of the pre-salt oil and gas reserves, the President of the Republic highlighted the historic importance of such a discovery and its benefits for the economy and living conditions of the people. He also warned: the exploration model needs to ensure the income generated will remain in the hands of Brazilian society, create jobs, add value, and be destined to the improvement of education, environmental protection, culture, fight against poverty, and scientific and technological innovation. **Further information at: blog.planalto.gov.br.**

My dear friends,

This is a historic day.

The Government is sending its regulatory framework proposal for the exploration of oil and gas at the so-called pre-salt reserves to the National Congress.

I am sure that, in the next months, congressmen and senators, gathering the contribution of governors and mayors as well, will enhance the Government's proposals, working with responsibility, public spirit, commitment to the Country and, above all, prospectiveness.

I am also sure that the Brazilian people will step with heart and soul into such an important debate for the future of Brazil and of our children.

For this is not a debate for experts and initiated only. It is not a theme that should be restricted to Parliament either. On the contrary, it interests us all and depends upon all.

That is exactly why I want to call upon every Brazilian citizen to participate in this great debate. Workers, housewives, farmhands, businessmen and women, intellectuals, scientists, students, civil servants; all can and should contribute so that we make the best choices.

My dear friends,

The so-called pre-salt layer contains huge oil and gas reserves, located between five and seven thousand meters below sea-level, under a salt layer that, in certain areas, is more than two thousand meters thick.

We cannot say for sure yet how many billion barrels will be added by the pre-salt to the Brazilian reserves. What we can already tell with absolute certainty is that it will place Brazil among the countries with the greatest oil reserves in the world.

This is one of the greatest oil discoveries of all times. And it happened in extremely important conditions: these reserves are located in a Country of large dimensions, with a large population and abounding natural resources. A Country that has a stable political system and democratic institutions working in full-steam. A peaceful Country that works hard to live in peace with its neighbours. A Country with a sophisticated economy, a diversified industrial park, state-of-the-art farming techniques, and a modern service sector. A Country that, having given important steps towards overcoming social inequalities, has found its track and is now mature enough to take a development leap.

As I have said at a previous opportunity, the pre-salt is a gift of God. Its wealth, if well explored and well managed, may impel Brazil to great transformations, consolidating the improvement to our economic level and to our people's living conditions.

However, the pre-salt also poses dangers and challenges. If we do not make the right decisions, what represents a winning ticket may become a source of huge problems. Poor countries that discovered a lot of oil but did not deal with the matter appropriately remain poor.

Others have fallen into the temptation of easy and fast money. They started to export all the oil they could at the double and were flooded by foreign currencies. Result: broken industries and disorganized economies. And, thus, what was a gift became a real curse.

In order to avoid that risk, as from the first moment, I urged the commission of ministers that prepared the pre-salt regulatory framework to work with three basic directives in mind.

THE PRESIDENT AND THE PRE-SALT LAYER

First: the oil and gas belong to the people and to the State, that is, to the Brazilian people as a whole. And the exploration model to be adopted, in a low exploratory risk and great quantity of oil framework, must ensure that the greatest part of the income generated remains in the hands of the Brazilian people.

The second directive is that Brazil does not want to and will not become a mere exporter of crude oil. On the contrary, we will add value to oil within the Country, exporting derivatives such as petrol, diesel, and petrochemical products, which have much higher values. We will create Brazilian jobs and build a powerful supplier industry of the necessary equipment and services for the exploration of the pre-salt.

The third directive: we will not be dazzled by this discovery and move around, as the nouveaux riches, burning money with nonsense. The pre-salt is a passport to the future. Its main destination must be the education of the newer generations, culture, environment, fight against poverty, and a commitment to the scientific and technological knowledge, through innovation. We will invest our resources in our most precious and promising values: our children, our grandchildren, and our future.

Examining the bills that we are now sending to Congress after so much work and study, I have gladly seen that they are in perfect tune with these directives.

My dear friends,

An important change in the regulatory framework will be the adoption of a production-sharing model for the pre-salt and for other areas of similar potential and characteristics. This is a perfectly necessary and justified change.

We are now living in a completely different scenario from that of 1997, when Act 9,478 was approved, ending Petrobras monopoly in oil exploration and establishing a concession model.

It was then the heyday of market lovers and the low point of anything related to the presence of the State in the economy. You must recall how this state of mind affected the oil sector in Brazil. In those years, great personalities got to the point of saying that Petrobras was a dinosaur — more precisely, the last dinosaur to be dismantled in the Country. And, had it not been for the strong reaction of society, they would even have changed the name of the company. Instead of Petrobras, with the Brazilian mark in its name, the company would be named Petrobras — who knows what this x would stand for in the plans of some terminators.

These were times of subordinate thoughts. The Country had ceased to believe in itself. In the economy, discouragement prevailed. Brazil was not able to grow, struggling with high interest and unemployment rates. Indeed, the Country had sky-high interest rates, an extremely high foreign debt, and almost no international reserves. Our economy would often break and we would have to resource to the IMF's help, which would always come with a number of impositions.

In addition, we did not produce enough oil for our consumption. Hurt, discouraged, and disoriented, Petrobras lived a very difficult moment. It faced difficulties in raising foreign funds and it did not possess its own resources to fund investments. It is important to highlight that, at that time — as Minister Dilma Rousseff has already mentioned — the price of the oil barrel was approximately US\$ 19.

We now live in a completely different context. First of all, with the recent global financial crisis, countries and peoples have realized that without the State's regulation and control, the God-market is capable of submerging the world in the blink of an eye. The role of the State, as regulator and inspector, is, therefore, highly valued again.

The Brazilian economy is also living a different moment. From 2003 to 2008, we grew at an average rate of 4.1% per year. In the last two years, our growth was above 5%. In this period, the Country created around 11 million formal jobs. Unemployment dropped from 11.7% to 8% in 2008. Current interest rates in the Country have reached the lowest level in many decades.

We have not only paid our public foreign debt, but also accumulated reserves over US\$ 215 billion. Moreover, we have consistently reduced poverty and social inequality. More than 30 million Brazilian citizens have been raised above the poverty line and 20 million entered the new middle class, strengthening the internal market and strongly propelling our economy.

THE PRESIDENT AND THE PRE-SALT LAYER

The fact is that we presently have an organized, robust, growth-driven economy. An economy that has been tested in the most severe international crisis since 1929 and got very good results. Not only did we not break, but we were one of the last countries affected by the crisis and we are now one of the first to overcome it. We used to be a target for mockery and impositions. Nowadays, our voice, Brazil's voice, is heard attentively and respectfully abroad.

My dear friends,

As from the first moment, my administration gave all due support to Petrobras. We started to take very good care of our beloved dinosaur. The company's resources destined for research and development increased sharply from US\$ 201 million in 2003 to R\$ 960 million in 2008.

The company started investing again, increased production, carried out selective processes to hire new employees, ordered oil rigs, modernized and enlarged refineries, besides building great infrastructure for natural gas and entering the biofuel era.

We made it clear that our policy was to strengthen and not weaken Petrobras. And the company — stimulated, recovered and well directed — reacted in an impressive way.

Result: Petrobras is now living a unique moment. It is the pride of the Country. It is the largest company in the Country. It is the fourth largest company in the Western world. Among the large oil companies in the world, it is the second-largest in market value. It is a model of state-of-the-art technology. It has discovered the pre-salt reserves, an extraordinary deed that amazed the world and engendered pride among Brazilians. It is a company of such international credit and authority that, in the last few months, it has raised around US\$ 31 billion in loans. Its planned investments by 2013 add up to US\$ 174 billion.

And to complete, the oil barrel price is now oscillating around US\$ 65, more than a threefold increase compared to 1997.

In brief, the time and environment are now completely different. The status of the Brazilian economy is new. The Country and its prestige are new. Petrobras is new. There is also a new situation in the oil market.

My dear friends,

There are no terms of comparison between the areas that have been explored so far and those of the pre-salt.

The exploratory risks are extremely low in the pre-salt layer. The success rate of the oil wells operated by Petrobras in the area is of 87%, and that of the blocks located in Santos Basin is of 100%. Thirteen wells have been drilled. And the existence of great quantities of oil and gas, with perspectives of excellent economic viability, has been proven in all of them.

In these circumstances, it would be a serious mistake to keep, in the low-risk and high-profitability pre-salt area, the concession model, appropriate only for blocks of high exploratory risk and low profitability.

In the concession model, the Brazilian State, owner of the underground area, allows private companies to search for oil in return for payment of a fee named subscription bonus. If these companies find oil or gas, they may extract and commercialize it as they wish. They become owners of the oil extracted from the bowels of the land, for, as from the wellhead, the State loses its property rights and receives only a small portion of the revenue in the form of royalties and special participation taxes.

In turn, in the production-sharing model, which prevails in low-exploratory-risk and high-profitability areas around the world, the State will remain as the owner of the greatest part of oil and gas, even after their extraction. In this model, the State does not transfer all oil property to private groups. Instead, it signs contracts for the exploration and production in specific areas directly with Petrobras or, in the case of other companies, by means of tenders.

In the production-sharing model, companies are remunerated through a portion of the extracted oil, which must be enough to cover its costs and investments and also provide appropriate profitability in accordance with the project's risks. The State then gets the greatest share of the oil exploration and production profit. Such share is much greater than the one we currently receive with the concession model. The rules for the production-sharing model are clear: in the tender process, the company that offers the greatest operation profit share to the State and to the Brazilian population wins.

My friends,

THE PRESIDENT AND THE PRE-SALT LAYER

Since with the production-sharing model the greatest part of the oil, even after its extraction, will continue to belong to the State, it will control the production process. Thus, it will be able to clearly define the extraction rhythm, calibrating it in accordance with national interests, with no subordination to market demands. It will, therefore, be easier for Brazil to avoid the inherent risks of excessive production, which could result in a large inflow of foreign currency, disorganizing our economy — that is what specialists call the Dutch disease.

In addition, we will be able to produce oil in the most convenient conditions for the Country. And this way, we will be able to make the most of our oil's wealth, given to us by God, in order to produce even more wealth through our own work.

We will, thus, consolidate a powerful and sophisticated oil industry, promote the expansion of our naval industry and transform Brazil into one of the greatest centers of the petrochemical industry in the world.

Working in the light of this perspective, we will order — and also produce in the Country — different equipment, creating jobs, wages and income to millions of Brazilians.

My dear friends,

For the management of production-sharing contracts and oil and gas commercialization contracts, we are creating a new state-owned company in the oil area, Petrosal, which will look after the interests of the State and of the Brazilian population.

It will not compete with Petrobras, as it will not participate in the prospection and exploration of oil and gas. Its mission is completely different. This new state-owned company will represent the interest of the Brazilian State, the attentive eyes of the Brazilian population, accompanying and controlling the execution of contracts signed for the pre-salt area.

It will be a concise company, with highly qualified technical staff composed of professionals of recognized experience. Companies of this nature have proven to be crucial for the defence of public and national interests during negotiation and management of contracts and complex and sophisticated processes, such as those of the oil industry, in countries that have adopted the production-sharing model.

My dear friends,

If you are tired, imagine me. Another important piece of news is the creation of a Social Fund. It will be responsible for the oil revenue management and application in safe and profitable investments, both in Brazil and abroad.

On one hand, this new fund will be an ultra-savings account, a passport to the future, which will protect and increase the oil revenue for many and many decades. The earnings from the fund will be invested, above of all, in education, culture, environment, poverty eradication, and technological innovation. We will make use of it to pay the huge educational debt of the Country and to enable the application of scientific knowledge to become indeed our greatest guarantee for the future.

On the other hand, the fund will also work as a dike against the disorganized inflow of foreign capital, thus avoiding its harmful effects and ensuring that our economy will remain healthy and strong, based on the work and talent of millions and millions of Brazilians.

Thus, the income from pre-salt production will be managed in a planned and intelligent manner. Its entry into the national economy will be dosed so as to strengthen and propel it, never to disorganize it.

My friends,

I cannot avoid paying sincere tribute to Petrobras, its board of directors and staff.

The pre-salt discovery, which places Brazil at a new level in the international scenario, was not due to a fortuitous event or a lucky break. On the contrary, it was made possible thanks to Petrobras' talent, skill and determination. And also, of course, thanks to the company's reinvigoration process, which took place in the last few years, the enhancement of its self-esteem, and the growing investments in research and prospection.

Few companies around the world have Petrobras' experience in oil exploration in deep and ultra-deep waters. And no oil company knows and is capable of obtaining as expressive results in our submarine platforms as it is. That is an asset, an invaluable property that must be made the most of.

And that is precisely why Petrobras will have a special status within the pre-salt regulatory

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framework. It will be the only operating company in this province. Other companies may become shareholders, or even majority shareholders, of the consortia that will explore the contracted blocks. Nevertheless, the operation — that is, exploration, development, production and installation shutdown — will always be under the responsibility of our beloved and proud Petrobras.

Also, the pre-salt reserves, which belong to the Brazilian State and population, provide an excellent opportunity for the Federation to strengthen Petrobras for new challenges. For this to happen, we are submitting a bill to the National Congress that will allow the State to increase the company's capital. The total value of this increase in capital will be that already mentioned by Minister Dilma Rousseff, of up to five billion barrels of oil equivalent, which obviously regard the reserves located next to the areas already controlled by the company in the pre-salt layer.

Pursuant to the law, minority shareholders who wish to participate in this capital call will be able to buy shares of the company, which will contribute to economically strengthen our largest company at such a decisive moment.

If the minority shareholders do not completely exercise their options, the capitalization promoted by the State will imply an increase of the Brazilian population's share of the total capital of Petrobras.

My dear friends,

At this moment when Brazil is discussing the best means to become a great international producer of oil, I want to pay tribute to every Brazilian who has fought for this dream to come true.

First of all, I praise those who believed it when it was easier to demur. Those who did not listen to the birds of bad omen which, during decades, proclaimed to the four winds that Brazil did not have any oil. They were, for this reason, called fanatics or maniacs. Thank God there were fanatics who taught us to doubt our prejudices and have faith in our own strengths.

I would also like to praise those who revolted against the litany that proclaimed that, even in case Brazil did have oil, it would not have the skill to explore it and should, therefore, delegate this task to foreign capital. Many were branded as lunatics, prisoners of a fixed idea, such as the great and much-missed Monteiro Lobato, because they insisted on fighting for Brazil to explore its own wealth. Blessed are the lunatics who taught the Country how to look far into the future in times of darkness and filled the way of those who followed with light.

I also praise those, all around the Country, who went to the streets to participate in the campaign "The Oil is Ours", which led President Getúlio Vargas to establish the State's monopoly on oil and create Petrobras. This was a battle waged in extremely harsh conditions. By simply reading the newspapers published at the time, some still in circulation, one can see how many people ridiculed the nationalist campaign. And I affirm: blessed is the nationalism, which allowed the wealth of our Nation to remain in our hands.

At last, I pay special tribute to all of those who defended Petrobras throughout its history — and still do so nowadays — when it was being attacked, and to the employees and oil platform workers who have kept their heads up when the company started to be treated as a cursed legacy from the Jurassic Period. Blessed are the friends and fellows of the dinosaur that survived extinction, got back on its feet, showed its value, and discovered the pre-salt layer, a national asset, Brazilian wealth and passport to the future.

I look back and see that all these moments have something in common, something that unifies and gives meaning to this march, something that has brought us this far and to the present day: it is, quite honestly, the ability of the Brazilian population to believe in itself and in our Country. It was amongst the disbelief of so many who wanted to speak on their behalf... to the people — especially to the people — we owe this present moment.

It is as if there was an invisible hand — not that of the market, about which they have talked so

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much, but another much wiser and permanent one, the hand of the people — weaving our destiny and building our future. I do not believe it is a coincidence that Petrobras discovered the great pre-salt reserves at the precise moment in the national political life at which Brazilians also discovered great reserves of energy and hope in themselves. At a moment at which the Country, leaving behind the inferiority complex imposed on it for centuries, learned how good it is to walk holding its head up high and looking confidently toward the future.

Thank you very much, my friends.

September 7th Statement

See at blog.planalto.gov.br/viva-a-nova-independencia.

ECONOMIC PORTRAIT - COMPARISON

2002 and 2008 comparison of selected economic indicators

Indicator	2002	2008	Variation (%)
GDP — Gross Domestic Product (R\$ billion in 2008)	2,269	2,890	+27
Exports (US\$ million)	60,362	197,942	+228
Trade Surplus (US\$ million)	13,121	24,746	+89
Primary Surplus (% of GDP)	3.91	4.07	+4
International Reserves (US\$ million)	37,652	206,806	+449
Foreign Direct Investment (US\$ million)	16,590	45,058	+172
Brazilian Investment Abroad (US\$ million)	2,482	20,457	+724
Brazil-Risk (base-points)	1,439	428	-70
Selic Interest Rate (% per annum)	25.00	13.75	-45
Total Credit (% of GDP)	22.0	41.3	+88
Commercial Dollar (R\$)	2.92	1.83	-37
IPCA² Inflation (% per annum)	12.53	5.90	-53
Basic-Needs Grocery Package (R\$)	198 ³	218	+10
Employment (millions of formal jobs)	28.7	39.4	+37
Average Annual Unemployment Rate – metropolitan regions (%)	11.7	7.9	-32
Real Minimum Wage (R\$)	292	427	+46
Industrial Production Index (fixed-base index: 2002 = 100)	93.75	99.40	+6
Grain Harvest (mimillions of tons)	97.7	145.8	+49
Commercial Sales (fixed-base index: 2003 = 100)	134.73	195.20	+45

1 Special System of Liquidation and Custody — Central Bank rate.

2 Extended Consumer Price Index — Brazilian Institute of Geography and Statistics, IBGE.

3 Average price of the DIEESE basic-needs grocery package in December 2002, corrected by the IPCA to December 2008 prices.

4 Nominal minimum wage has been deflated by the IBGE's National Consumer Price Index, INPC. Basis: July, 2009. Source: Ipeadata.

STIMULATING PRODUCTION

Measures encourage production and contribute to overcome the crisis

The Federal Government and the National Congress adopted a series of measures to face the global financial crisis: credit expansion, tax exemptions, liquidity and business environment improvement, and production and investment incentives. Even before the crisis, Brazil was adopting measures to stimulate production and reduce bureaucracy. See below a summary of these measures. Find the detailed list of all measures, including those still being processed by the National Congress at www.presidencia.gov.br/estrutura_presidencia/Subsecretaria/publicacoes/destaques.

1 – Measures to face the international financial crisis

- Tax exemptions
 - IPI: on capital goods, vehicles, refrigerators, stoves, washing machines, and simple washing machines.
 - PIS/COFINS: on motorcycles, wheat, wheat flour, and French bread.
 - IRPF (Personal Income Tax): new percentages and a 4.5% adjustment of salary bands.
 - IOF: on motorcycle financing, general credit to consumers, foreign capital investment in fixed income, direct credit to private individuals.
- Liquidity and business environment improvement
 - Use of part of the reserves to finance exports; reduction of the compulsory bank deposits; dollar auction and currency swap¹ with other central banks; cuts in basic interest rates.
- Production and investment incentives
 - Increase in Petrobras' investments; extension of the financing resources for the shipping industry guarantee fund and the merchant marine fund.
 - "My House, My Life"; increase of the financing limit for construction material.
 - Expansion of lines of credit for small and micro-businesses, exports, company revitalisation and capital goods.
- Incentives for long-term savings accounts and expansion of credit and consumption
 - Special credit to individual entrepreneurs.
 - Reduction of interest rates for lines of credit for infrastructure.
 - Increase in investments of public banks' resources in working capital.
 - Reduction by 0.75% of the primary surplus in 2009.
- Agriculture stimulus
 - Further resources for the Harvest Plan 2009/2010; creation and expansion of special lines of credit; regulation and extension of the Price Guarantee for Family Agriculture Programme (PGPAF), readjustment of minimum prices.
 - Extension of the deadline for the renegotiation of debts.

2 – Measures from 2003 to 2009

- Business environment improvement and bureaucracy reduction
 - Regulation of the ZPEs (Export Processing Zones); creation of the PDP (Productive Development Policy); opening of the Mercado de Resseguro (Reinsurance Market); Brazilian Internal Revenue Department; General Law of the Micro and Small Companies and the 'Simple National' System; New Bankruptcy Law.
- Rationalisation of the Legal Process and of the execution of credit guarantees
 - Restriction of the right to appeal and execution of extrajudicial titles.
- Incentives for long-term savings account and expansion of credit supply
 - Creation of the Brazilian Sovereign Fund.
 - Pre-fixed interest rates for the financing of the SFH; new tax system regime for complementary social security.

¹ A swap is an agreement for future cash flow exchanges

ARTICLE

Inhamuns-Crateús Territory

Settlers disseminate digital inclusion in the state of Ceará. By Janaína Moscal — Center for Agrarian Studies and Rural Development at the Ministry of Agrarian Development (NEAD/MDA).

In the Inhamuns-Crateús territory, in the hinterlands of the state of Ceará, five Digital Centers have been installed in five different municipalities. Among them is the Center in Santana Settlement, whose inhabitants have been using the internet to organize different activities, from productive, to educational and cultural ones.

Installed in the cooperative head office of Santana Settlement, located 42 km away from Monsenhor Tabosa and 275 km away from Fortaleza, the Digital Center is an example of the importance of digital inclusion for the promotion of local development and citizenship.

A type of factory that transforms wishes into projects, the small room with ten computers has transformed the reality of youths, adults and children in the settlement, which used to possess one public telephone as the sole means of communication.

Nowadays, teachers of the settlement's school, youths and adults attend distance education courses. The President of the Farming Production Cooperative (Copágua), Josafá Pereira da Luz, mentions how digital inclusion has contributed to the productive activities of the settlement. "We had the opportunity to learn how to elaborate projects, carry out research and get to know different lines of credit", he says.

The Digital Center has also provided the young people of Santana with access to public announcements such as that of the Points of Culture Project. They state, with enthusiasm, that they are only waiting for the resources of the project to diversify the cultural activities that already take place in the settlement, such as the Banda Lata, the drama group, and the school radio.

The Digital Center in Santana is a place of integration as well. In addition to personal users — which already add up to 120 per day — inhabitants of neighboring communities and municipalities, with the assistance of the center managers, use the internet to get documents such as clearance certificates and declarations of income tax exempt status. What used to require a three-hour journey can now be performed with a simple visit to the Digital Center.

The settlement has a new reason to be proud now. Teachers of the local school and managers of the Digital Center will teach training courses in other 35 settlements in the state of Ceará which will soon receive their own Digital Centers. "There is a very strong identification among settlers. This has motivated them because the greatest challenge is for the communities to maintain the sustainability proposal", explains Sandra Bandeira, from the Agrarian Development Secretariat of the state of Ceará (SDA), responsible for this programme, promoted in a partnership with the MDA.

Sandra states that the experience in Santana is an example and will be an incentive for other settlements in the state which will soon receive a Digital Center. Thus, by telling their own stories, youths, adults and children have been proving it is possible to transform realities from where they are.

Digital Inclusion in Santana Settlement

The digital inclusion process in Santana Settlement started to be developed in 2003, through a partnership between the Laboratório Multimeios at the Federal University of Ceará (UFC), the Center for Agrarian Studies and Rural Development at the Ministry of Agrarian Development (NEAD/MDA), the National Institute for Colonization and Agrarian Reform (INCRA) and the Banco do Nordeste [Northeast Bank]. It is now part of the Digital Territories Project. It is developed by the ministries of Agrarian Development (MDA) and of Communications (MC), with support of the Agrarian Development Secretariat of the State of Ceará (SDA) and the municipal council of Monsenhor Tabosa. To get to know the history of Santana Settlement, access the weblog produced by the Digital Center managers: www.assentamentosantanamt.blogspot.com.

ABBREVIATIONS

<i>Acronym</i>	<i>Meaning</i>
ABDI	Brazilian Industrial Development Agency
ADCT	Temporary Constitutional Provisions Act
AIDS	Acquired Immunodeficiency Syndrome
Aladi	Latin-American Integration Association
Anoreg	Brazilian Association of Notaries and Public Registrars
ANP	National Oil Agency
Apex Brasil	Brazilian Agency for the Promotion of Exports and Investments
Arpen Brasil	Association of Registrars of People Born in Brazil
Ater	Technical Assistance and Rural Outreach
BB	Bank of Brazil
BNDES	National Economic and Social Development Bank
Bovespa	São Paulo Stock Exchange
Caged	General Register of Employment and Unemployment
CAF	Federal Articulation Committee
Caixa	Federal Economic Savings Bank
CGTB	General Union of Brazilian Workers
CGU	Office of the Comptroller General
CNEN	National Nuclear Energy Commission
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
Conasp	National Council for Public Safety with Citizenship
Conseg	National Conference on Public Safety
COP-15	15th Climate Change Conference (Conference of the Parties)
CPF	Register of Private Individuals
CSLL	Social Contribution on Net Profit
Cuca	Urban Center of Culture, Art, Science and Sports
CUT	Single Workers Union
Deter	Detection of Deforestation in Real-Time
EJA	Education for Young Adults
Embrapa	Brazilian Agricultural Research Company
FBCF	Gross Formation of Fixed Capital
FDI	Family Development Index
FGV	Getúlio Vargas Foundation
Fies	Finance Fund for Students in Higher Education
Finep	Financing Body for Research and Projects
Fiocruz	Oswaldo Cruz Foundation
FNDCT	National Fund for Scientific and Technological Development
FSA	Audiovisual Fund
Funai	National Foundation for Indigenous 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
Funtel	Fund for Technological Development of Telecommunications
GDP	Gross Domestic Product
HDI	Human Development Index
HP	Horsepower

ABBREVIATIONS

<i>Sigla</i>	<i>Significado</i>
IBGE	Brazilian Institute of Geography and Statistics
ICT	Institute of Science and Technology
ICU	Intensive Care Unit
Ideb	Basic Education Development Index
IMF	International Monetary Fund
Incra	National Institute for Colonization and Agrarian Reform
INPC	National Consumer Price Index
Inpe	National Space Research Institute
INSS	National Social Security Institute
IOC	International Olympic Committee
IOF	Tax on Financial Operations
IPCA	Extended Consumer Price Index
Ipea	Applied Economic Research Institute
IPI	Tax on Industrialized Products
IRPJ	Corporate Income Tax
LGBT	Lesbians, Gays, Bisexuals and Transgendered
Mapa	Ministry of Agriculture, Stock Breeding and Supply
MC	Ministry of Communications
MCT	Ministry of Science and Technology
MDA	Ministry of Agrarian Development
MDIC	Ministry of Development, Industry and Foreign Trade
MDS	Ministry of Social Development and Fight against Hunger
MEC	Ministry of Education
MinC	Ministry of Culture
MJ	Ministry of Justice
MMA	Ministry of the Environment
MP	Provisional Decree
MPA	Ministry of Fishery and Aquaculture
MTE	Ministry of Labour and Employment
MW	Megawatt
OBMEP	Public Schools Mathematics Olympics
Oepas	State Organizations for Agriculture and Stock Breeding Research
p.a.	Per Annum
PAA	Food Acquisition Programme
PBA	Literate Brazil Programme
PAC	Accelerated Growth Programme
PACTI	Action Plan for Science, Technology and Innovation
PAF	Fiscal Adjustment Programme
PAS	Sustainable Amazon Plan
PDE	Educational Development Plan
PDP	Productive Development Policy
PEF	Emergency Financing Programme
Pibid	Institutional Bursary for New Teachers Programme
PIS	Social Integration Programme
PL	Draft Law
PME	Monthly Employment Study
PNAD	National Research by Domestic Sample
PNAE	National School Meal Programme
PNLA	National Programme of Didactic Books for Youth and Adult Literacy

ABBREVIATIONS

<i>Sigla</i>	<i>Significado</i>
PNMPO	National Programme for Guided Productive Microcredit
pp	Percentage Points
PPAlfa	Pluriannual Literacy Plan
Prodetur	Tourism Development Programme
ProInfância	National Programme for Restructuring and Acquisition of Equipment for the Public Network of Preschool Education
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
Recid	Citizenship Education Network
REDD	Reducing Emissions from Degradation and Deforestation
RGPS	General Regime of Social Security
Reuni	Support Programme for Plans to Restructure and Expand Federal Universities
RG	General Registry (Brazilian ID card)
R&D	Research and Development
SAE	Secretariat for Strategic Affairs
SAMU	Emergency Mobile Medical Service
Sebrae	Brazilian Service of Support to Small and Micro-Businesses
Secex	Foreign Trade Secretariat/MDCI
SEDH	Special Secretariat for Human Rights
Selic	Special System for Liquidation and Custody — Central Bank Rate
Seppir	Special Secretariat for Policies for Promotion of Racial Equality
SFH	Housing Finance System
Simac	Monitoring System for Single-Registry Auditing
Sinase	National System for Socio-Educational Services
SM	Minimum Wage
SNBP	National System of Public Libraries
SPM	Secretariat for Policies for Women
Susp	Single Public Safety System
SUS	Single Health System
STD	Sexually Transmitted Disease
S&T	Science and Technology
TCU	National Audit Office
TJLP	Long-Term Interest Rates
UAB	The Open University of Brazil
UAV	Unmanned Aerial Vehicle
UC	Conservation Unit
UFRJ	Federal University of Rio de Janeiro
UGT	General Workers Union
UN	United Nations
Unesco	United Nations Educational, Scientific and Cultural Organization
Unicef	The United Nations Children's Fund
USAN	Union of South American Nations
WHO	World Health Organization
ZAE	Sugarcane Agro-Ecological Zoning
ZPE	Export Processing Zones

DESTAQUES

Actions and Programmes of the Federal Government of Brazil

