OECD Public Governance Reviews

Centre of Government Review of Brazil

TOWARD AN INTEGRATED AND STRUCTURED CENTRE OF GOVERNMENT

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Foreword

Responding to today's dynamic and complex policy problems puts significant pressure on governments to deliver on their policy goals and mandates. A public governance system that supports effective policy development, strategic planning, and decision-making processes to address multifaceted challenges is critical to foster citizens' trust in public institutions' ability to deliver. Uniquely placed to align the machinery of government around strategic priorities, centres of government (CoG) play an essential role in the prioritisation of high-level policy objectives and the co-ordination of the design and implementation of policy responses across government. They are increasingly asked to move beyond their traditional focus on preparing cabinet meetings and reviewing the legal conformity of proposals. Strengthening centre of government capacity has thus emerged as a crucial factor in meeting broader democratic and political commitments.

This *Centre of Government Review of Brazil* provides an assessment of the CoG's capacity to create a more reliable and favourable institutional environment for defining and implementing cross-cutting policy priorities. Brazil has requested the support of the OECD in enhancing its ability to address policy challenges and creating an outcomes-oriented CoG. In doing so, it hopes to solidify the CoG as a lynchpin of the government, capable of supporting decision-making processes and steering government action to define and achieve high-level priorities.

The review identifies some limitations linked to the institutional fragmentation of the CoG, and recommends clarifying the respective responsibilities of its constitutive bodies. It also suggests current practices at the centre mainly focus on processes at the expense of outcomes; this could be mitigated by clearly linking a performance management framework to a small number of cross-government strategic objectives. Focusing on the capacities of the CoG to contribute to budget strategy and the federal budget, the review considers how the CoG can ensure that medium- and long-term plans align with the budgetary framework and how the budget can support policies in a coherent manner. The review further examines the CoG's role in monitoring and evaluating the performance of policy priorities and the use of this information to improve policy-making and service delivery. Following the recent reorganisation of public communication structures, the review also analyses how the role of public communication can be consolidated and reinforced as a strategic lever of government and enabler of open government. The recommendations contained in this review seek to promote an integrated forward-looking approach to public governance, and, ultimately, help Brazil deliver better results for citizens and promote trust in government.

The *Centre of Government Review of Brazil* draws on a wide range of international experiences and practices used to establish outcome-oriented, problem-solving centres of government. The review builds on the insights gathered from the OECD's networks and communities of practice including the Network of Senior Officials from Centres of Government. The review also greatly benefited from the OECD's peer engagement process which allowed practical, evidence-based dialogue between Brazilian officials and their peers from centres of government in OECD member countries.

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- Stephen Young, Strategic Communications Manager, Prime Minister's Office & Cabinet Office Communications, United Kingdom.

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Abbreviations and acronyms

AI	Artificial intelligence
ABM	Brazilian Association of Municipalities (*Instituto Brasileiro de administracao municipal*)
AllEnvi	National Alliance for Environmental Research
ANDP	National Data Protection Authority (*Autoridade Nacional de Protecao de Dados*)
ANEEL	Electricity Regulatory Agency (*Agência Nacional de Energia Elétrica*)
APO	Planning budget analysts (*Analista de Planejamento e Orçamento*)
ATI	Law on Access to Information (*Lei de Acesso à Informação*)
CAF	Federative Articulation Committee (*Comitê de Articulação Federativa*)
CAP	Cross-Agency Priority
CETG	Special Transition Governmental Positions
CGINDA	INDA Steering Committee (*Comite Gestor da INDA*)
CGU	Office of the Comptroller General (*Controladoria Geral da União*)
CIA	Central Intelligence Agency
CIG	Inter-ministerial Governance Committee (*Comitê Interministerial de Governança*)
CMAG	Direct Spending Monitoring and Evaluation Committee (*Comitê de Monitoramento e Avaliação de Subsidios da União*)
CMAP	Public Policy Monitoring and Evaluation Council (*Conselho de Monitoramento e Avaliação de Políticas Públicas*)
CMAS	Committee for Monitoring and Evaluation of Government Grants (*Comitê de Monitoramento e Avaliação de Subsidios da União*)
CNCS	Civil society-government platform in the government of Italy (*Consiglio Nazionale per la Cooperazione allo Sviluppo*)
CNM	National Confederation of Municipalities
CNODS	National Commission for Sustainable Development Objectives
COFOG	Classifications of the Functions of Government
CSO	Civil society organisation
Defra	Department of Food and Rural Affairs
DNP	National Planning Department
DoC	Department of Communications
EFD 2020-2031	Federal Development Strategy for Brazil for the period 2020 to 2031 (*Estratégia Federal de Desenvolvimento 2020-2031*)
ENA	National School of Administration (*École Nationale d'Administration*)
ENAP	National School of Public Administration (*Escola Nacional de Administraçao*)
ENDES	National Strategy for Economic and Social Development (*Nacional de Desenvolvimento Economic e Social*)
EOP	Executive Office of the President
EPPGG	Public policy and government management specialists (*Especialista em Políticas Públicas e Gestão Governamental*)
ESAF	School of Finance Administration (*Escola de Administração Fazendária*)
GCS	Government Communication Service
GDP	Gross domestic product
GDS	Government Digital Services

GPRA	Government Performance and Results Act
GSI	Institutional Security Cabinet (*Gabinete de Segurança Institucional*, GSI)
GSA	Administrator of General Services Administration
GTA	Thematic action groups (*Grupos Temáticos de Ação*)
HDI	Human Development Index
IBGE	Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*)
IEG	Independent Evaluation Group
IGEES	Irish Government Economic and Evaluation Service
INSEE	National Institute of Statistics and Economic Studies (*Institut national de la statistique et des études économiques en France*)
IPEA	Institute of Applied Economic Research (*Instituto de Pesquisa Econômica Aplicada*)
JEO	Budget Execution Board (*Junta de Execução Orçamentária*)
KPIs	Key performance indicators
LAC	Latin America and the Caribbean
LDO	Budget guideline laws (*Lei de Diretrizes Orçamentárias*)
LGBTQ+	Lesbian, gay, bisexual, transgender and queer or questioning
LOA	Union Budget Law (*Lei Orçamentária Annual*)
LT-LEDS	Long-term low-emission development strategies
M&E	Monitoring and evaluation
MENA	Middle East and North Africa
MFA	Ministry of Foreign Affairs
MoUs	Memoranda of understanding
NASA	National Aeronautics and Space Administration
NDCs	Nationally determined contributions
NGOs	Non-governmental organisations
NSW	New South Wales
OGP	Open Government Partnership
PEI	Institutional Strategic Plan (*Plano Estratégico Instituciona*l)
PIC	Performance Improvement Council
PMA	Business Environment Modernization Plan (*Plano de Modernização do Ambiente de Negócios*)
PPA	Pluriannual Plan
PSLC	OECD Recommendation on Public Service Leadership and Capability
RIAs	Regulatory impact assessments
RIVP	*Réseau interministériel de veille et de prospective*
ROE	Regulatory Outcome Evaluation
SAE	Special Secretariat for Strategic Affairs (*Secretaria Especial de Assuntos Estratégicos*)
SAG	Undersecretariat for Analysis and Assessment of Government Policies (*Subchefia de Análise e Acompanhamento de Políticas Governamentais*)
SAJ	General Secretariat of the Presidency of the Republic (*Secretaria Geral da Presidência da República*, SG), Department of Legal Affairs
SAM	Undersecretariat for Articulation and Monitoring (*Subchefia de Articulação e Moitoramento*)
SEAE	Secretariat for Competition and Competitiveness Advocacy (*Secretário de Advocacia da Concorrência e Competitividade*)
SEAS	Special Secretariat for Social Articulation (*Secretaria Especial de Articulação Social*)
SEAS/SEGOV	Special Secretariat for National Articulation (*Secretaria Especial de Articulação Social*)
SECAP/ME	Secretariat for Evaluation, Planning, Energy and Lottery (*Secretaria de Avaliação, Planejamento, Energia e Loteria*)
SECOM	Special Secretariat for Social Communication (*Secretaria Especial de Comunicação Social*)
SEDGG/ME	Special Secretariat for Debureaucratization, Management and Digital Government (*Secretaria Especial de Desburocratização, Gestão e Governo Digital do Ministério da*

	Economia)
SEGES/ME	Secretariat of Management (*Secretaria de Gestão)*
SEGOV	Secretariat of Government of the Presidency of the Republic (*Secretaria de Governo da Presidência da República*)
SEME	Special Secretariat for State Modernization (*Secretaria Especial de Modernização do Estado*)
SEPLA/ME	Undersecretariat for Governmental Planning (*Subsecretaria de Planejamento Governamenta*)
SERG	Special Secretariat for Government Relations (*Secretaria Especial de Relações Governamentais*)
SETO	Special Secretariat for Treasury and Budget (*Secretaria Especial do Tesouro e Orçamento*)
SFN	Strategic Futures Network
SG	General Secretariat of the Presidency of the Republic (*Secretaria Geral da Presidência da República*)
SICOM	Government Communication System of the Federal Executive Branch (Sistema de Comunicação de Governo do Poder Executivo Federal)
SIOP	Integrated Planning and Budgeting System **(***Sistema Integrado de Planejamento e Orçamento*)
SIORG	System of Organization and Institutional Innovation of the Federal Government (*Sistema de Organização e Inovação Institucional do Governo Federal*)
SMART	Specific, measurable, action-oriented, realistic and time-bound
SOF	Federal Budget Secretariat (Secretariat of Receita Federal)
SRI	International and Inter-institutional Relations Secretariat (*Secretaria de Relações Internacionais e Interinstitucionais*)
STF	Federal Supreme Tribunal (*Supremo Tribunal Federal*)
STN	National Treasury Secretariat (*Secretaria de Tesouro Nacional*)
TCU	Federal Court of Accounts (*Tribunal de Contas da União*)
UK	United Kingdom
WEF	World Economic Forum
WHLDP	White House Leadership Development Program

Executive Summary

The *Centre of Government Review of Brazil* assesses the capacity of Brazil's centre of government (CoG) to manage the design of integrated strategic priorities as well as its to lead whole-of-government co-ordination to implement cross-cutting priorities. Recent governance and administrative reform programmes in Brazil have resulted in significant institutional changes in key public governance functions, including public policy steering, government co-ordination, budgeting, strategic planning, monitoring and evaluation, and public communications. The review focuses on the capacity of the CoG to perform these crucial functions. Brazil's CoG is usually understood to encompass the Presidency of the Republic – including the Personal Cabinet of the President, General Secretariat; the Institutional Security Cabinet, the Civil Cabinet of the Presidency (*Casa Civil*), the Special Secretariat for Strategic Affairs, the Secretariat of Government; and Office of the Attorney-General – as well as the Ministry of Economy, the Special Secretariat for Social Communication in the Ministry of Communications, the Ministry of Foreign Affairs, and the Office of the Comptroller-General (CGU).

The CoG's ability to co-ordinate and steer the machinery of government towards common objectives is hindered by two main factors in Brazil. First, in the absence of a clear set of shared priority goals, government action tends to be disjointed and less efficient. The CoG in Brazil would benefit from a limited and well-communicated number of shared goals to effectively mobilise and challenge the public administration. Second, institutional fragmentation and frequent institutional changes have generated overlaps among different entities' functions, limiting the CoG's performance as a manager of government action. The CoG in Brazil could mitigate the effects of this fragmentation by carrying out functional reviews and taking measures to promote continuity through change, including reducing staff turnover.

Mandate overlaps have also hindered the CoG's ability to fulfil its strategic planning function. Over decades, Brazil has developed a well-entrenched planning system and highly trained and skilled staff for planning. However, the planning function has become fragmented across government, which has led to some gaps and overlaps in mandates and activities. This fragmentation is compounded by low levels of institutional collaboration in some areas, which hinders the government's ability to identify clear policy priorities, address multidimensional challenges and achieve its strategic objectives. Moreover, the planning system in Brazil is characterised by a focus on the process, sometimes at the expense of the outcomes. For instance, while the pluriannual plan (PPA) is a well-developed planning instrument outlining objectives and goals for the country over a period of four years, it is often used as reporting tool and does not shape working routines and decision-making processes at the CoG. The CoG could nevertheless bridge that gap between intent and outcomes in two ways. First, the planning process would benefit from prioritisation mechanisms to make sure the government is acting on the most important issues, in a coherent manner and armed with the most relevant evidence. The CoG's ability to foster outcome-oriented strategic planning could also be improved through better alignment and integration of the different planning systems across government.

The ability of the CoG to align the federal budget with planning instruments has proven difficult. The contribution by the planning secretariat at the CoG is largely limited to the preparation of the PPA once every four years; furthermore, there are other long-term plans that are disconnected from budgetary

processes. The legislated allocation of expenditure can be a barrier to improving the effectiveness and efficiency of the budget. The Brazilian government could benefit from the Budget Execution Board bringing the outputs of the planning function into the strategic phase of the budget and from designing and implementing a spending review framework to assess the performance of existing expenditure against the relevant policy objectives. The rate of capital investment expenditure by the federal government in Brazil is low relative to the OECD average. The government should ensure that the fiscal risk management framework and reporting regime is available to the Budget Execution Board to inform the decision-making process. Finally, the government has made some progress in enhancing its medium-term expenditure framework. Initiatives in this area should continue in order to support budgetary institutions, such as the fiscal expenditure rule, and the predictability of budget expenditure.

As is the case for co-ordination and strategic planning, the monitoring function of the CoG in Brazil also appears fragmented across several institutional actors, whose skills and capacities for monitoring and evaluation are heterogeneous. In addition, the existing system to track the results of public policies and programmes is primarily used as a reporting system linked to the PPA but is not systematically and effectively fed back into the decision-making process at the CoG. Furthermore, the complexity of the planning and prioritisation system has led to overlapping monitoring units. Beyond the PPA, the data and information being tracked are also subject to weaker assurance mechanisms and barriers to their interoperability. Although monitoring reports are created and published, the publication format does not support its use by policy makers. Developing and harmonising monitoring tools and working routines within Casa Civil, aimed at the implementation of cross-cutting government priorities, will be pivotal to addressing these issues. The creation of the Public Policy Monitoring and Evaluation Council (CMAP) represents a step forward in the creation of an evaluation system. However, there is no clarity on when and how CoG bodies can systematically use the evaluation information generated by CMAP. Developing explicit quality assurance and control mechanisms and promoting the use of evaluation results through a communication strategy can enhance the robustness of the evaluation system.

Finally, the CoG in Brazil has taken important steps toward establishing a strategic communication approach. Notably, it recently reorganised this function to establish more centralised steering of communications across the public administration. This commitment was further enshrined in the government's whole-of-government public communication strategy and plan under the leadership of the Special Secretariat for Social Communication. As it transitions towards a more strategic communication approach, the government should continue to institutionalise key processes, enhance multi-level co-ordination and professionalise core capabilities. In doing so, the government should pursue an evidence-driven communication approach as part of its whole-of-government strategy to better respond to the needs of different audiences and show its contribution and impact on broader policy objectives. It will also be important to communicate participation opportunities to establish an open and meaningful dialogue with the public across the distinct stages of the policy-making process, in particular with vulnerable groups.

1 Centre of government-led functions and co-ordination capacity in Brazil

This chapter assesses the centre of government's (CoG) functions, mandate and responsibilities to establish a more integrated, efficient and strategic CoG in Brazil. This discussion is followed by an assessment of various co-ordination instruments to achieve integrated strategic outcomes. Finally, the chapter provides an overview of Brazil's framework for the management of government transitions.

Introduction

Brazil's new vision for its centre of government reflects the current trend in which CoGs around the world have been evolving from an administrative role to a more strategic one where they support the definition and implementation of strategic policy priorities. CoGs are taking a more active role in aligning multi-department work plans to government actions. This trend is driven by the rise of multidimensional and cross-cutting issues (e.g. environmental sustainability, competitiveness, inequality, trust), which require whole-of-government responses. This calls for the development of sound capacities for co-ordination, planning, prioritisation as well as monitoring and evaluation of policy performance and strategic communication.

The government of Brazil has repeatedly expressed its interest and intention to consolidate the CoG as a strategic player to enable a whole-of-government approach to "emphasize a common strategy instead of allowing each ministry to implement its agenda separately" (Government of Brazil, 2016[1]). However, Brazil has also identified several challenges that hinder its capacity to deliver results to citizens (Government of Brazil/OECD, 2019[2]). These include: a weak co-ordination system within the CoG and between levels of government; fragmentation in the policy cycle; lack of integration between different government plans and budgetary instruments; limited ability for national strategic planning to achieve results and improvements for citizens; lack of coherent prioritisation of the government's strategic objectives; lack of a solid performance measurement framework to support decision-making; and lack of a policy monitoring and evaluation culture, among others. There is further a need to build a stronger conceptual basis for the CoG and principles for its work to overcome limited structures and routines to drive implementation.

The government of Brazil has requested the OECD's support for the establishment of an integrated and structured CoG in order to create safer, more reliable and favourable institutional environments for the strategic co-ordination, prioritisation, monitoring, evaluation and communication of public policies in an efficient and effective manner, aimed at delivering results to its citizens. Brazil aims to consolidate its CoG as a strategic player for the efficient and effective management of the whole of government with a focus on results for, and with, citizens. Therefore, the CoG needs to play an end-to-end role in the policy cycle and strengthen its capacity to establish a long-term strategic vision for the whole government that takes into account a cross-cutting approach, both horizontally (inter-ministerial) and with state-level or subnational entities or governments, the private sector, parliament and civil society. The government aims to develop a CoG able to: lead whole-of-government co-ordination across administrative silos; implement cross-cutting priorities; develop capacities for high-level budgetary decisions and evidence-informed policy making; and ensure coherence of the various initiatives proposed by the new government's strategic priorities as well as those that have been set by previous governments covering multiple years.

The final sections of the review's chapters also include a case study assessing the CoG's role in developing, coordinating and implementing the business environment reform in Brazil. The case study complements the assessment included in the five chapters of the Centre of Government Review by analysing and exemplifying the CoG's important role in setting high-level strategic priorities for Brazil.

The chapter first describes the Brazilian CoG's different functions, mandates and responsibilities. Second, the chapter assesses different instruments to support horizontal and vertical policy co-ordination. A third section analyses the management of transitions between outgoing and incoming governments following elections. The chapter concludes with a series of recommendations on how to establish a more integrated, efficient and strategic CoG in Brazil.

Functions, mandate and responsibilities of the CoG

Defining the CoG based on functionality

The OECD defines the CoG as the "body or group of bodies that provide direct support and advice to heads of government and the council of ministers, or cabinet" (OECD, 2018[3]). This support is increasingly oriented towards support for translating the government strategic vision into coherent policies and programmes. To this end, the CoG is expected to play a key role in ensuring evidence-based, strategic and consistent policy implementation by governments. It is also seen as critical for organising and supporting the head of government's decision-making processes to guarantee the delivery of government priorities. The CoG performs certain cross-cutting functions (strategic management, policy co-ordination, monitoring and improving performance, managing the politics of policies, and communications and accountability) (see Figure 1.1) (OECD, 2020[4]). Other common tasks performed primarily by the CoG include taking care of the relations with parliament and communicating government messages within government and to the public (OECD, 2020[4]). While it has been argued in the past that OECD countries do not consider a legal review to be a core responsibility of the centre (OECD, 2004[5]), 78% of surveyed governments indicated in 2021 that activities around legal matters, particularly the review of the quality of legal drafting and legal conformity and the review of regulatory quality (59%) are among the key functions performed by the CoG (OECD, 2021[6]; forthcoming[7]).

However, despite certain well-defined features, the definitions of what encompasses a CoG very much depend on the set of functions that it carries out. Setting up and defining the structure of the centre also very much depends on each country's history, political system and administrative tradition. While the range of responsibilities carried out by centres of government varies across countries, some functions are common to most such as co-ordinating the preparation of cabinet meetings and policy co-ordination across government. The centre takes almost exclusive responsibility for those functions. Whole-of-government strategic planning (see Chapter 2 for an in-depth analysis) and monitoring the implementation of government policy (see Chapter 4 for more details) are also high on the agenda across OECD countries (Figure 1.1).

Figure 1.1. Key responsibilities of the CoG in OECD countries
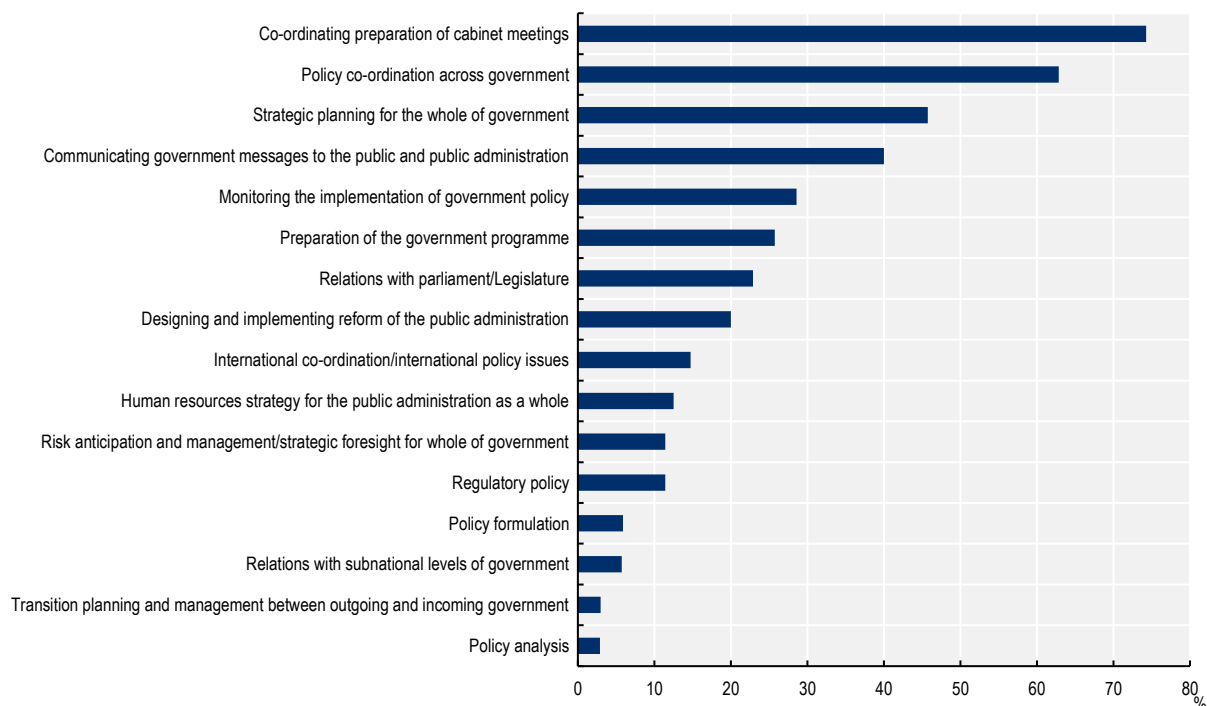
Source: OECD (2017[8]), "Survey on the organisation and functions of the centre of government", OECD, Paris; OECD (2018[3]), Centre Stage 2 - The Organisation and Functions of the Centre of Government in OECD Countries, OECD, Paris.

The composition of the centre, therefore, also varies considerably across countries. Following an institutional or structural definition of the CoG, some countries have established a CoG comprised of a set of bodies located in a single institution attached to the head of government they serve (OECD, 2018[3]). Other countries follow a more functional approach and include several institutions and units performing core government functions outside the formal structure linked to the head of the executive (e.g. agencies or ministries performing cross-cutting functions) in their definition of the CoG (Rhodes and Dunleavy, 1990[9]).

Currently, Brazil's centre of government is not formally defined and no policy document exists that describes a set of joint objectives and goals the CoG is supposed to accomplish in order to perform a strategic role for the whole of government. There is no shared CoG vision or narrative in terms of goals, functions and responsibilities. However, the government of Brazil has repeatedly expressed its interest and intention to consolidate the CoG as a strategic player to focus on a whole-of-government approach to "emphasize a common strategy instead of allowing each ministry to implement its agenda separately" (Government of Brazil, 2016[1]).

In Brazil, a broad array of institutions reports directly to the president of the republic (Alessandro, Lafuente and Santiso, 2013[10]). Pursuant to Art. 2 of Law No. 13.844 (from 18 June 2019) (Government of Brazil, 2019[11]) on the basic organisation of the organs of the presidency of the republic and the ministries, Brazil's presidency comprises six different institutions: the Civil Cabinet of the Presidency of the Republic, the Office of the Chief of Staff of the President (hereafter "Casa Civil"); the Secretariat of Government; the General Secretariat; the Personal Office of the President of the Republic; the Institutional Security Cabinet; and the National Data Protection Authority (ANDP) (Government of Brazil, 2019[11]). Out of 23 government institutions with the status of ministries, 4 are currently located in the presidency, including Casa Civil, the Secretariat of Government, the General Secretariat and the Institutional Security Cabinet. Law No. 13.844 further lists five advisory bodies to the president of the republic, namely the Government Council, the

National Council for Energy Policy, the Council of the Investment Partnership Program of the Presidency of the Republic, the Attorney General of the Union, the Special Secretariat for Strategic Affairs and the Special Advisory Office of the President of the Republic. Articles 89-91 of the 1988 Federal Constitution also locate two consultative bodies within the presidency: the Council of the Republic and the National Defence Council.

Figure 1.2. Structure of the Presidency in Brazil
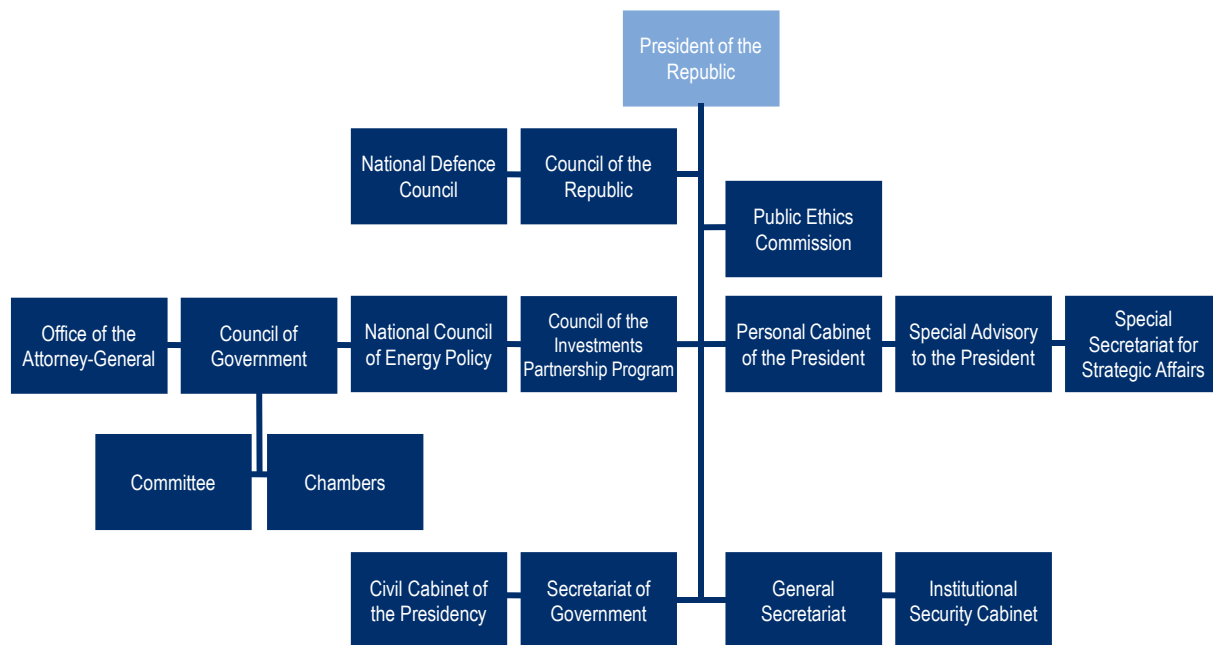
Source: Author's own elaboration based on Government of Brazil (2020[12]), *Estrutura da Presidência*, https://www.gov.br/planalto/pt-br/acesso-a-informacao/institucional/estrutura-da-presidencia.

Responses to the OECD questionnaire and interviews held during two fact-finding missions, however, show that besides the bodies of the presidency, a larger set of institutions is commonly referred to as the CoG in Brazil. Some cross-cutting functions, such as strategic planning, are performed by institutions (e.g. Ministry of Economy) that are functionally attributed to the CoG on the basis of the responsibilities they hold or share with other institutions in the centre. Following such a functional approach to the CoG, Brazil's CoG includes units outside the formal structure of the Presidency of the Republic. Contrary to countries with a monocephalous structure, where all CoG bodies are brought together under a single institutional roof (e.g. the presidency), Brazil's CoG includes the following ministries, secretariats and agencies that are most frequently ascribed to the centre of government:

1. Personal Cabinet of the President (*Gabinete Pessoal do Presidente*) – as part of the presidency.
2. Civil Cabinet of the Presidency of the Republic (*Casa Civil da Presidência da República*, Casa Civil) – as part of the presidency.
3. Secretariat of Government of the Presidency of the Republic (*Secretaria de Governo da Presidência da República*, SEGOV) – as part of the presidency.
4. General Secretariat of the Presidency of the Republic (*Secretaria Geral da Presidência da República*, SG) – as part of the presidency.
5. Special Secretariat for Strategic Affairs (*Secretaria Especial de Assuntos Estratégicos*, SAE) – as part of the presidency.

6. Institutional Security Cabinet (*Gabinete de Segurança Institucional*, GSI) – as part of the presidency.
7. Office of the Attorney-General (*Advocacia-Geral da União*) – as part of the presidency.
8. Office of the Comptroller General (*Controladoria Geral da União*, CGU) – outside the presidency.
9. Ministry of Economy (*Ministério da Economia*) – outside the presidency.
10. Special Secretariat for Social Communication (*Secretaria Especial de Comunicação Social*, SECOM) – outside the presidency, under the Ministry of Communications.
11. Ministry of Foreign Affairs (*Ministério das Relações Exteriores*) – outside the presidency.

A multiplicity of institutions performs core and cross-cutting government functions that the OECD traditionally associates with the CoG. The following institutions perform cross-cutting tasks related to classic CoG responsibilities (see Figure 1.1):

- **The Civil Cabinet of the Presidency** (*Casa Civil da Presidência da República*, Casa Civil) plays a key role in Brazil's CoG. Located within the presidency, the ministry directly assists the president in carrying out his/her duties, in particular regarding the co-ordination and integration of government actions with all line ministries and other branches of the state. It supports the analysis of "the merit, the opportunity and the compatibility of the [policy] proposals, including the matters under discussion in the National Congress, with government guidelines" and is in charge of the evaluation and monitoring of government action and the management of federal public administration bodies and entities (Government of Brazil, 2019[11]). Moreover, it supports the co-ordination and monitoring of ministries' activities and the formulation of projects and public policies. The following units from Casa Civil play key CoG functions:

  - The **Special Secretariat for Government Relations** (*Secretaria Especial de Relações Governamentais*, SERG) is responsible for advising the minister on co-ordination and dialogue with line ministries and other federal entities. In addition, SERG monitors the activities of line ministries as well as the use of budgetary and financial resources for strategic projects and public policies. SERG is also the executive secretariat of the Inter-ministerial Governance Committee (*Comitê Interministerial de Governança*, CIG) and advises the minister of state regarding their participation in the committee. Following Article 15 of Decree No. 9.678/2019 (modified by Decree No. 10.205/2020), SERG proposes to the minister of state and the committee the adoption of governance compliance standards in line with best international practices.

  - The **Undersecretariat for Analysis and Assessment of Government Policies** (*Subchefia de Análise e Acompanhamento de Políticas Governamentais*, SAG) is tasked with co-ordinating the design of government policies to ensure that line ministry policy initiatives are consistent with the government's overall strategic directions. This applies in particular to the area of infrastructure projects considered a priority by the president. SAG and SERG are jointly in charge of promoting dialogue with government stakeholders to implement the presidency's priorities (Government of Brazil, 2019[13]). SAG also analyses the merit of all legal proposals and government programmes and projects and ensures that policies are affordable and fit in public sector resource planning. Responses to the OECD questionnaire show that SAG established procedures to verify that adequate costing was carried out and that a proposed item has been subject to an adequate consultation process and is linked to the government's strategic priorities (OECD, 2021[6]). Contrary to practices in other countries, the SAG does not have the authority to return items to line ministries if the items do not meet specific criteria (OECD, 2021[6]), but it can request the proposing body to carry out an ex ante impact analysis of the proposed normative act. The undersecretariat also submits to the executive secretariat the federal government's proposed priority legislative agenda and is in charge of monitoring its implementation (Decree No. 10.907/2021).

- The **Undersecretariat for Articulation and Monitoring** (*Subchefia de Articulação e Moitoramento*, SAM) is responsible for monitoring the priority objectives and goals defined by the president of the republic and providing input for the formulation of the government agenda and advice on the management of crises.

- The **Secretariat of Government** (SEGOV) is responsible for the relationship with various political actors. Not only is SEGOV in charge of the political negotiations with the line ministries but is also responsible for the executive's relations with the legislature (both the National Congress and the political parties) and the judiciary. Moreover, SEGOV is the federal government's interlocutor with subnational governments, namely with the states, the federal district and municipalities. SEGOV also co-ordinates the federal government's dialogue with international organisations and civil society organisations (CSOs) and monitors the federal government's partnerships with these organisations.

- The **General Secretariat** (SG) is responsible for directly assisting the president in the performance of his duties, in particular with the supervision and execution of administrative duties, the monitoring of governmental action through accounting, financial and budgetary oversight of the presidency (Law No. 13.844 (Government of Brazil, 2019[11]) and Decree No. 9.982/2019). The SG functions as the gatekeeper to the president and prepares all acts to be submitted to the head of government. Consequently, the ministry elaborates messages to the legislature, co-ordinates the sanction process and veto of bills and is also in charge of the publication and preservation of official acts. The SG also assumes responsibilities for state modernisation, in particular by guiding strategic public policies and implementing policies and actions aimed at modernising the state and defining, co-ordinating, monitoring, evaluating and supervising state modernisation programmes.

- The **Special Secretariat for Strategic Affairs** (SAE) was transferred from the SG in February 2020 and merged with the Special Advisory Office of the president to form the new Brazilian Strategy Headquarter" in the presidency. Today, the secretariat is directly attached to the Office of the President (Decree No. 10.374/2020, 10.244/2020, revoked by Decree No. 10.554/2020) and has a twofold mandate. First, it is responsible for supporting the formulation of national strategic planning. As part of long-term national planning, the SAE also co-ordinates with society in drawing up a national development strategy, as well as for drafting projects and initiatives of strategic interest to the country through its Sub-office for Strategic Actions. Besides promoting studies on national challenges and projects, it is responsible for co-ordinating the analysis and research activities required to conceive long-term policies.

- The **Special Secretariat for Social Communication** (SECOM) that was transferred in 2020 from SEGOV to the newly recreated Ministry of Communications is in charge of federal government communication and information disclosure policy (according to Provisional Measure 980/2020). Consequently, the secretariat manages the relationship between the government and the regional, national and international press. SECOM also forms the central body of the Government Communication System of the Federal Executive Branch (SICOM), which prepares annual plans and co-ordinates, supervises and develops communication and publicity actions for the executive (Decree No. 6.555/2008).

In several countries, the centre also includes units, sometimes with significant staff, whose functions lie outside the OECD definition, notably intelligence, counter-espionage and other national security-related functions (OECD, 2018[3]). This is also the case in Brazil.

- The **Ministry of Economy** does not form part of the presidency and is often not included in narrow definitions of the CoG, but nonetheless performs important CoG duties related to strategic planning as well as monitoring and evaluating policies. In Brazil, the Ministry of Economy is also in charge of promoting administrative simplification and modernisation of the public administration. Following the incorporation of the Ministry of Planning, Budget and Management and pursuant to Article 31 of Law No. 13.844 (Government of Brazil, 2019[11]), the Ministry of Economy now represents a

super-ministry that is responsible (Agência Brasil, 2018[14]), among other competencies, for budgeting (see Chapter 3), formulating national strategic planning and developing input for the formulation of long-term public policies aimed at national development. Strategic planning for the whole of government is considered a key responsibility of the CoG in over half (56%) of the OECD countries surveyed in the 2018 Centre Stage Report (OECD, 2018[3]). Almost half (46%) of OECD respondents consider strategic planning 1 of their top 4 responsibilities. For a detailed assessment of the Ministry of Economy's role in strategic planning, please consult Chapter 2. In addition to planning, the ministry is in charge of the evaluation of the socio-economic impact of federal policies and programmes as well as the preparation, monitoring and evaluation of the multi-annual investment plan and annual budgets. They also play a key role in the co-ordination and management of the government's institutional organisation and capacity (i.e. financial and human resources, technology, information management, logistics and administrative organisation) and are in charge of aligning institutional structures, processes and human, technological and logistical resources with government priorities.

- As in 68% of OECD countries, the responsibility for international co-ordination and international policy issues is shared in Brazil between the centre of government and the **Ministry of Foreign Affairs** (MFA), with foreign ministries taking the lead (OECD, 2018[3]). Following Law No. 13.844 (2019), the MFA provides direct assistance to the president in matters related to foreign policy making and implementation and co-ordination with other CoG institutions in foreign policy issues. Article 45 of the law stipulates that the MFA is supposed to co-ordinate other international advisory units of CoG. This co-ordination has the purpose of avoiding overlap and gaps in the mandates of CoG units. The ministry is also in charge of institutional communication abroad. The MFA thus plays an active role in the CoG, with a focus on matters related to foreign policy and strategy, while CoG institutions also play a role. Responses to the OECD questionnaire showed that 75% of CoG institutions co-ordinate the national position in international bodies together with the MFA.

- Pursuant to Article 10 of Law No. 13.844 (2019), the **Institutional Security Cabinet** "directly assists the president […] in carrying out [her/his] duties, especially with regard to military and security matters". With the status of a ministry, the cabinet is responsible for risk assessment related to national security, in particular analysing and monitoring subjects with potential risk in order to prevent the occurrence of crises and articulate their management. It also co-ordinates federal intelligence activities, actions related to the development and protection of the Brazilian nuclear programme and the build-up of the Brazilian space programme. Another important task is to plan, co-ordinate and supervise information security activities for the federal government, including cyber security, cyber incident management, security clearance and classified information handling. The cabinet is also in charge of the protection of critical infrastructure and the prevention, inspection and repression of cross-border crimes. Finally, the cabinet is responsible for conducting matters within the competency of the National Defence Council, which is deciding on issues related to defence and national security, especially in the border zone.

- The **Office of the Comptroller General** (CGU) carries out core CoG activities such as providing information to the head of government and other ministers through evaluations performed in the scope of internal control activities. These evaluations, selected based on risk analyses and relevant evidence, support government actions to improve the efficiency and effectiveness of public policies, in addition to improving public management for delivering greater added value to citizens. The concluded evaluations, after a joint search for solutions, are shared with public managers responsible for adopting corrective measures.

In comparison to past compositions of the CoG in Brazil, there are currently no sectoral and thematic secretariats (e.g. on human rights, women's rights, aquaculture and fisheries, promotion of racial equality) located in the presidency. Nevertheless, the great number of different CoG institutions, including four that have the status of a ministry, require a clear definition of responsibilities and mandates in order to create

an agile structure oriented toward performing CoG functions more effectively and efficiently, benefitting the whole of government. This is particularly important since recent changes to ministries and secretariat structures and functions (such as the move of the Special Secretariat for Social Communication) have affected the CoG's composition and distribution of responsibilities in the centre.

Conducting a functional review of the CoG to enhance the clarity of mandates and responsibilities

A mapping of the different CoG institutions' responsibilities (see Table 1.1) shows that certain functions are performed by two or more bodies. Discussions with stakeholders during the OECD fact-finding missions suggested uncertainty regarding the mandates of the multiplicity of entities in the CoG and a perceived lack of overall management of some key processes that led to a reported wasted time and effort. This raises not only the question of effectiveness but also increases opportunity costs from a line ministry perspective. Existing overlaps make it also harder to identify gaps in mandates. A multiplicity of separate institutions thus not only increases the need for co-ordination but also requires a functional review of the different entities forming the loosely defined centre. An analysis of all of the existing institutions can help ensure their mandates are mutually exclusive and collectively exhaustive – and define the value proposition of each. The result could be a simplified framework for thinking about the CoG's organisational architecture. Streamlining certain functions and assigning them to single institutions could in addition further help reduce institutional fragmentation both as an end in itself and as a means to identify mandate gaps and reduce mandate overlap/duplication.

While Casa Civil's improved functioning was positively highlighted during the two fact-finding missions, participants also stressed that even greater levels of integration between the different CoG units and a further strengthened role of Casa Civil are needed to ensure effective co-ordination not only between the CoG and the other ministries but also within the CoG itself. Line ministries recognise Casa Civil's role and importance, but they also reported having difficulties with identifying the right points of contact to overcome implementation barriers or to solve disputes between line ministries.

Table 1.1. Functions performed by different CoG institutions in Brazil

Function	Institutions in charge	Co-ordination mechanism	Legal basis
Co-ordinating the preparation of the government sessions, including the preparation of agendas	• Presidential Cabinet • Special Secretariat for Strategic Affairs • Casa Civil • Ministry of Foreign Affairs (on matters of external relations	• Executive Secretariat of the Government Council • Budget Execution Board	Law 13.844/2019 Law 11.440/2006 Decree 10.374/2020 Decree 9.819/2019 Decree 9.203/2017 Decree 9.884/2019 Decree 10.277/2020 Decree 10.907/2020
Co-ordinating activities to ensure legal conformity	• Office of the Attorney-General • Ministry of Foreign Affairs (on matters of external relations) • General Secretariat – General Control Office • Office of the Comptroller General • Casa Civil	• Technical Commission of the Budget Execution Board	Law 13.844/2019 Law 11.440/2006 Law 10.180/2001 Decree 9.982/2019 Decree 9.681/2019 Decree 9.203/2017 Decree 9.884/2019 Decree 3.591/2000 Decree 10.907/2020
Defining strategic priorities	• Casa Civil • Special Secretariat for Strategic	• Government Council	Law 11.440/2006 Law 13.844/2019

Function	Institutions in charge	Co-ordination mechanism	Legal basis
	Affairs • Ministry of Economy • General Secretariat • Ministry of Foreign Affairs (on matters of external relations)		Decree 10.374/2020 Decree 9.745/2019 Decree 9.203/2017 Decree 10.907/2020
Leading preparation and co-ordinating approval of the government's strategic priorities and work programme	• General Secretariat • Ministry of Foreign Affairs (on matters of external relations) • Casa Civil • Ministry of Economy	• Government Council	Law 13.844/2019 Law 11.440/2006 Decree 9.745/2019 Decree 10.372/2020 Decree 9.982/2019 Decree 9.745/2019 Decree 10.072/2019 Decree 9.203/2017 Decree 10.907/2020
Co-ordinating the policy content of proposals for government decisions, including defining the policy preparation process and ensuring coherence with government priorities	• Casa Civil • General Secretariat • Ministry of Foreign Affairs (on matters of external relations)	• Government Council	Law 13.844/2019 Law 11.440/2006 Decree 9.982/2019 Decree 9.745/2019 Decree 10.072/2019 Decree 10.907/2020
Ensuring that policies are affordable and overseeing co-ordination of public sector resource planning	• Casa Civil – Undersecretariat for Analysis and Monitoring of Government Policies • Ministry of Economy • General Secretariat		Law 13.844/2019 Decree 9.745/2019 Decree 10.366/2020 Decree 9.982/2019 Decree 9.745/2019 Decree 10.072/2019 Decree 9.834/2019 Decree 10.907/2020
Co-ordinating government communication activities to ensure a coherent government message	• Casa Civil • Ministry of Foreign Affairs (on matters of external relations) • Ministry of Communications, Communications Undersecretariat		Law 13.844/2019 Law 11.440/2006 Decree 10.591/2020 Decree 10.462/2020 Decree 6.555/2008 Decree 10.907/2020
Monitoring government performance to ensure that the government collectively performs effectively and keeps its promises to the public	• Casa Civil - Undersecretariat for Public Policy Analysis and Monitoring/Undersecretariat for Articulation and Monitoring • Office of the Comptroller General • Ministry of Economy • General Secretariat - Special Secretariat for State Modernisation		Law 13.844/2019 Law 10.180/2001 Decree 10.372/2020 Decree 9.681/2019 Decree 9.745/2019 Decree 10.332/2020 Decree 9.834/2019 Decree 3.591/2000 Decree 10.907/2020
Promoting policy evaluation across government departments to inform government effectiveness	• Casa Civil - Undersecretariat for Public Policy Analysis and Monitoring/Undersecretariat for Articulation and Monitoring • Ministry of Economy - Special Secretariat for Finance • Office of the Comptroller General	• Inter-ministerial Governance Committee • Council for Monitoring and Evaluation of Public Policies (CMAP)	Law 13.844/2019 Law 13.971/2019 Decree 10.366/2020 Decree 10.372/2020 Decree 9.203/2017 Decree 9.834/2019

Function	Institutions in charge	Co-ordination mechanism	Legal basis
Managing the relationship between the government and other parts of the state (line ministries, agencies, etc.)	• Casa Civil - Undersecretariat for Analysis and Monitoring of Government Policies • Ministry of Foreign Affairs (on matters of external relations) • Secretariat of Government - Special Secretariat for Federative Affairs of the Government • Special Secretariat for Strategic Affairs • General Secretariat • Institutional Security Cabinet	• Government Council	Law 13.844/2019 Law 8.183/1991 Law 12.731/2012 Decree 10.372/2020 Decree 10.591/2020 Decree 10.374/2020 Decree 9.982/2019 Decree 10.748/2021 Decree 4.376/2002 Decree 9.319/2018 Decree 9.600/2018 Decree 9.637/2018 Decree 10.222/2020 Decree 9.828/2019 Decree 9.865/2019 Decree 9.573/2018 Decree 10.569/2020
Managing the relationship with subnational governments	• Secretariat of Government – Special Secretariat for Social Articulation • Ministry of Foreign Affairs (on matters of external relations) • Secretariat of Government - Special Undersecretariat for Federative Affairs		Law 13.844/2019 Law 11.440/2006 Decree 10.591/2020 Decree 9.203/2017
Managing the relationship with non-state actors (civil society, academia, think tanks, private sector)	• Secretariat of Government • Ministry of Foreign Affairs (on matters of external relations) • Secretariat of Government - Special Undersecretariat for Social Articulation • Institutional Security Cabinet		Law 13.844/2019 Law 8.183/1991 Law 12.731/2012 Decree 9980/2019 Decree 10.748/2021 Decree 4.376/2002 Decree 9.319/2018 Decree 9.600/2018 Decree 9.637/2018 Decree 10.222/2020 Decree 9.828/2019 Decree 9.865/2019 Decree 9.573/2018 Decree 10.569/2020
Strategic foresight and risk anticipation	• Institutional Security Cabinet • Ministry of Foreign Affairs (on matters of external relations) • Special Secretariat for Strategic Affairs • Casa Civil • Institutional Security Cabinet		Law 13.844/2019 Law 11.440/2006 Decree 10.374/2020 Decree 10.748/2021 Decree 10.569/2020 Decree 10.907/2020
Transition planning and management between outgoing and incoming governments	• Casa Civil • Ministry of Foreign Affairs (on matters of external relations) • Ministry of Economy		Law 11.440/2006 Law 10.609/2002 Decree 7.221/2010
Design of open government strategies and initiatives	• Casa Civil • Office of the Comptroller General - Secretariat for Transparency and		Decree 10.591/2020 Decree 10.160/2019 Decree 9.203/2017

Function	Institutions in charge	Co-ordination mechanism	Legal basis
	Prevention of Corruption • Secretariat of Government - Special Secretariat for Social Articulation • Special Secretariat for Strategic Affairs		Decree 10.374/2020
Communicating, co-ordinating and implementing open government strategies and initiatives	• Casa Civil • Ministry of Economy • Secretariat of Government - Special Secretariat for Social Articulation • Office of the Comptroller General - Secretariat for Transparency and Prevention of Corruption		Decree 10.591/2020 Decree 9.203/2017
National long-term strategies and policies planning and formulation	• Special Secretariat for Strategic Affairs • Ministry of Economy		Decree 10.374/2020 Decree 9.745/2019 Decree 10.072/2019
National strategic planning studies and state strategic actions	• Special Secretariat for Strategic Affairs		Decree 10.374/2020
Ensuring institutional capacity (human resources, technology, logistics, administrative organisation, budget and finance)	• Ministry of Economy		Decree 10.366/2020
Administrative Simplification and Modernisation of Public Administration	• Ministry of Economy • General Secretariat	• National Forum for State Modernization	Decree 9.203/2017 Decree 10.609/2021

Note: Responses were received from SEGOV, the MFA, the SAE, the Ministry of Economy, SAM, the SG and SAG.
Source: Author's own elaboration based on Brazil's responses to OECD CoG questionnaire (OECD, 2021[15]); and two fact-finding missions.

The OECD questionnaire also showed that the different CoG entities do not always co-ordinate among themselves and internally consolidate comments on line ministry policy proposals submitted to the government for decision (OECD, 2021[6]). In the policy- and law-making process, the General Secretariat (SG) plays an important role as it verifies the constitutionality and legality of all legal acts sent to the chief executive. While Casa Civil's Undersecretariat for Analysis and Assessment of Government Policies (SAG) analyses the merit of all legal proposals and decrees, the SG Department of Legal Affairs (SAJ) works directly with the legal units in line ministries and follows all stages a policy passes to ensure that the quality of legal drafting is satisfactory, the procedures of preparation are respected and legal conformity and compliance with federal laws and regulations of all draft acts is guaranteed. In line with Brazil's practice, legal units that provide technical advice to the head of government on legal matters exist in most OECD countries, often as part of the CoG. A 2021 CoG survey showed that at least 12 OECD countries have a centralised body tasked with providing legal services to public entities (OECD, 2021[6]). While the legal conformity check was originally located in the Casa Civil Executive Office, the separation of these two important functions into two institutions requires close co-ordination and communication between the SAG and SG that is led by Casa Civil. The separation of the technical from the content review also implies that line ministries need to interface with many different CoG institutions in landing a proposition considered by the head of government, which raises the opportunity costs of time and effort for line ministries.

While the distribution of CoG functions between various institutions allows for greater specialisation, a less centralised structure also constitutes a risk of fragmentation. This is particularly true in Brazil, where governments are formed by coalitions and the different parties that are represented in government politically appoint the heads of institutions.

- During the OECD's fact-finding missions, it was reported that the Secretariat of Government (SEGOV)'s central role in the political articulation process has led to disagreement with line

ministries in the past. In order to avoid a multiplicity of different government positions, recognition of SEGOV's central position is important to ensure that the government speaks to Congress, the judiciary, subnational governments, international organisations and CSOs with a single voice. In particular, with regard to the executive's relations with the legislature, SEGOV's role as primary interlocutor should be promoted. Even though the SG also elaborates messages to the legislature and co-ordinates the sanction process and veto of bills, SEGOV should be seen as the first contact point in the CoG. Casa Civil, the SG and Ministry of Economy only assume auxiliary functions. The same applies to co-ordination with subnational governments.

The institutional fragmentation of the CoG in Brazil inside and outside the presidency as well as frequent institutional changes within the centre have led to considerable overlap and duplication in the roles and responsibilities of the CoG's various units.

- **Implementation of priority programmes:** Close co-ordination between SAE, SAM and the Undersecretariat for Analysis and Assessment of Government Policies (SAG) is needed for the implementation of the president's priority programmes. Following an internal report on the CoG provided by the government of Brazil (2019[13]), there are not only three institutions tasked with the co-ordination of the implementation but a great number of entities, including SERG, the SG Department of Legal Affairs (SAJ), the Ministry of Economy, the Office of the Comptroller General and the Secretariat of Government, which are contributing to the process. Moreover, pursuant to Article 12 of Decree No. 9.678/2019 (with the wording given by Decree No. 9.979/2019 and Decree No. 10.372/2020), SAG shall promote the co-ordination of the federal government together with the Undersecretariat for Articulation and Monitoring (SAM). Institutional responsibilities for the co-ordination of the implementation of priority programmes must be clearly defined and communicated. Brazil may therefore consider anchoring the responsibility for the co-ordination of the implementation of priority programmes within a single institutional entity in the presidency to achieve the results set by the head of the executive branch.

- The OECD finds two significant overlaps between presidency bodies and the Ministry of Economy.

  o **Strategic planning:** During the OECD fact-finding missions and in response to the questionnaire, several entities pointed to legal overlaps and duplication of competencies in relation to the strategic and long-term planning of government actions, between the Special Secretariat for Strategic Affairs (SAE) and the Ministry of Economy (see Chapter 2). The SAE is in charge of planning and formulating long-term national policies and strategies, while the Ministry of Economy is also legally responsible for the elaboration of input for the formulation of long-term public policies aimed at national development. Moreover, the existing long-term strategy was produced by Casa Civil, the Ministry of Economy and the Institute of Applied Economic Research (*Instituto de Pesquisa Econômica Aplicada*, IPEA). As part of long-term national planning, the SAE is also co-ordinating with the public and CSOs in drawing up a national development strategy, as well as drafting projects and initiatives of strategic interest to the country through its Sub-office for Strategic Actions. Besides promoting studies on national challenges and projects, it is supposed to co-ordinate the analysis and research activities needed in order to conceive long-term policies. In addition, the SAE was put in charge of liaising with international organisations and preparing the president's meetings and correspondence with foreign authorities. In co-ordination with other agencies, the SAE also participates in the planning, preparation and execution of the president's international trips and helps process the presidency's diplomatic proposals and matters. In order to accomplish its mandate, it is necessary to avoid legal overlaps and duplication of competencies in relation to the strategic and long-term planning of government actions with the Ministry of Economy, in particular because the SAE's main role is to co-ordinate long-term planning activities aimed at bringing the country's strategic vision to fruition. The SAE will also have to attain effective co-ordination with the Ministry of Foreign Affairs (MFA) and with other constituent units of the

CoG such as Casa Civil, which is responsible for the formulation of the strategic agenda, co-ordination and articulation of government priorities.

o **State modernisation:** With regard to the responsibility for actions aimed at modernising the state, close co-operation between the SG and Ministry of Economy is important. While the ministry is in charge of promoting the modernisation of the state, for instance through the work of the System of Organization and Institutional Innovation of the Federal Government (SIORG) and the Special Secretariat for Debureaucratization, Management and Digital Government (*Secretaria Especial de Desburocratização, Gestão e Governo Digital do Ministério da Economia*, SEDGG/ME), the SG is in charge of regulating the modernisation efforts. The General Secretariat (SG) proposes co-operation models for modernising and strengthening the public sector among entities outside of government, promotes partnerships with non-government entities to facilitate modernisation efforts, manages modernisation plans and programmes, and disseminates modernisation solutions for public management. Even though the activities of the presidency's bodies are focused on the establishment of general guidelines for co-operation, while the Ministry of Economy is focused on the operationalisation of these general guidelines, the government should assess both institutions' responsibility for state modernisation to avoid conflicts and duplication of work. Moreover, close co-ordination between the two is essential.

The lack of a proper assessment of functions and responsibilities as well as fragmentation can often lead to mandate overlap and duplication, as identified for strategic planning and state modernisation above, but also in areas such as international relations and relations with stakeholders beyond the executive. The fragmented structure of the CoG thus requires clearer defined mandates with detailed value propositions and a focus on results. Despite the many institutional changes in recent years and the resulting challenges, Brazil has not carried out a functional review of the different institutions in recent years. The government may thus consider conducting a review with a detailed mapping of the current functions of the CoG to identify mandate gaps and reduce mandate overlap and duplication. Following the example of Australia, Ireland, New Zealand and the United Kingdom (UK), the government could combine this functional review with an assessment of the overall institutional capability of CoG institutions (Brown, Kohli and Mignotte, 2021[16]). Following this review, it is also important to broadly communicate the centre's structure, mechanisms and activities across the government to raise awareness. Brazil may also consider revising Law No. 13.844/2019 to enshrine the competencies of the different constituent entities of the CoG in primary law to create legal clarity and legitimacy for all institutions.

In addition to the functional review, creating a shared vision and narrative may help create a more strategic CoG in Brazil. To help define the CoG's purpose as the efficient and effective manager of the whole of government with a focus on results for, and with, citizens, the government should consider establishing a performance framework that describes the set of cross-agency joint goals and priority outcomes the CoG is working to accomplish. The policy document should present how the government seeks to accomplish these objectives and include clear responsibilities for individual institutions. An example of a performance framework in a federal OECD member country is the United States (US) Federal Performance Framework (see Box 1.1) that presents an integrated overview of the government as a whole and could serve as inspiration for a CoG-focused performance framework in Brazil. Another interesting example at the subnational level is the Scottish National Performance Framework. Following these examples, Brazil could publish on line an integrated overview of CoG institutions' strategic goals and objectives and make information available regarding the progress in achieving these priorities. In order to allow for progressive change, piloting the performance framework first with a smaller sample of institutions could help to find the right approach and generate the necessary support across the CoG.

Setting up performance management processes and working routines to focus on performance delivery and review progress on the CoG's goals could further help Brazil ensure a focus on managing for results.

The government of Brazil could, for instance, consider the following three non-sequential routines (Moynihan and Kroll, 2016[17]):

- Goal co-ordination: The government could define cross-cutting goals and the respective institutions' contributions (see Chapter 2 on strategic planning and prioritisation).

- Goal clarification: A plethora of different goals may further erode clarity and reduce the CoG's focus. A potential routine to be introduced is the definition of a small number of goals that are backed by high-level political support (see Chapter 2 on strategic planning and prioritisation).

- Data-driven review: Limited performance review due to the unmanageable amount of data can be overcome by establishing a routine of regular data-driven reviews of performance information, potentially with the involvement of different institutions (see Chapter 4 on monitoring and evaluation).

Box 1.1. Performance Frameworks in OECD countries

United States

In the US, a dedicated website (Performance.gov) communicates the goals and outcomes the federal government is working to accomplish, how it seeks to accomplish them and how agencies are performing. Agencies are identifying both short- and long-term goals to be reflected in four-year strategic plans, annual performance plans and a limited number of agency priority goals. The public is able to explore those goals and the progress being made to meet them on line, on a central website that provides a comprehensive picture of government performance.

Based on the 2010 Government Performance and Results Modernization Act (GPRAMA), the government-wide framework requires federal agencies to set performance goals that deliver results for the American people, establish management processes to review progress and regularly communicate progress being achieved against those goals.

Scotland (UK)

The Scottish Government launched the first National Performance Framework (NPF) in 2007. The framework set out in its purpose and outcomes its aim to measure national well-being beyond gross domestic product (GDP). Its purpose is to focus government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. To help achieve its purpose, the framework sets out 11 National Outcomes, strictly linked to United Nations (UN) Sustainable Development Goals (SDGs).

The framework measures Scotland's progress against the National Outcomes. To do this, it uses 81 National Indicators. These indicators give a measure of national well-being and include a range of economic, social and environmental indicators. The framework includes an Interactive Data Dashboard which contains all of the data held for each indicator.

This system aims to abolish departmental structures in the Scottish Government in order to discourage silos and facilitate effective cross-cutting government and is based on a partnership approach across central and local government and all public services.

Source: Scottish Government (n.d.[18]), *National Performance Framework, https://nationalperformance.gov.scot/ (accessed on 19 May 2022)*; US Government (n.d.[19]), *Performance.gov*, https://www.performance.gov/ *(accessed on 19 May 2022)*

Putting institutional capacity at the heart of reform efforts

Evidence collected through the OECD's questionnaire and during the two fact-finding missions shows that limited capacity, in particular a lack of human resources, is seen as a major challenge for further improving the CoG's operations (OECD, 2021[6]). Officials' skillsets for planning, co-ordination and prioritisation are important factors for improving the effectiveness of the CoG and its strategic role. Human resources management should be made a strategic priority. It was further highlighted that the high frequency of staff turnover, especially of staff in key areas, has led to a loss of important knowledge of institutional processes, methods and information.

In line with Principle 12 of the OECD Recommendation on Public Service Leadership and Capability (PSLC) (OECD, 2019[20]), Brazil could adjust the conditions for intra-CoG workforce mobility and adaptability, by enabling and encouraging short- and medium-term assignments of staff in different CoG institutions. These assignments could foster learning and exchange of information, promote co-ordination between different CoG entities and occasionally meet short-term labour demands. However, the design of the career system acts as a strong barrier to promoting mobility. Careers are often siloed and prevent people from applying to other public entities or institutions, moving temporarily to new assignments and posts or even moving internally within the entity. An additional factor impeding mobility is the lack of transversal job requirements in the majority of careers, making the identification of suitable opportunities difficult. In line with the OECD Public Service Leadership and Capability Review of Brazil (forthcoming[21]), Brazil may consider exploring options to create more transversal careers including provisions on mobility and allowing for more permeability across careers overall. An example of a workforce mobility programme is the White House Leadership Development Program (Box 1.2), which rotates 15-20 high-performing line ministry officials into the White House to work on cross-cutting issues and provide leadership development training. Similarly, the UK Civil Service Fast Stream programme could serve as inspiration for designing an entry position workforce mobility programme in Brazil.

Box 1.2. Staff rotation programmes across the OECD

The White House Leadership Development Program (WHLDP)

The WHLDP engages a diverse annual cohort of GS-15 (General Schedule - US civil service pay scale) career employees to work on the federal government's highest priority and highest impact challenges. The programme is sponsored by the Executive Office of the President (EOP) and supported by the Performance Improvement Council (PIC). It aims to:

- **Develop talent**: Cultivate the next generation of career senior executives through a rotation focused on the complex, cross-agency challenges that increasingly confront the federal government while incorporating a development component to build and strengthen enterprise leadership skills.

  Its key objectives are:
  - Provide Fellows with a broad federal perspective on high-priority challenges.
  - Provide Fellows with access to senior decision-makers.
  - Develop Fellows as a cadre of leaders with the skillsets and networks to address challenges through a cross-agency lens and implement solutions across organisational boundaries.

- **Deliver results**: Harness top talent from across the government to support the implementation of key priorities and address mission-critical challenges, such as Cross-Agency Priority (CAP) Goals.

  Its key objectives are:

- o Strengthen ongoing implementation efforts on specific administration initiatives, such as the CAP Goals that require collaboration and co-ordination among multiple organisations.
- o Strengthen long-term strategic planning to ensure delivery of tangible results.

UK Civil Service Fast Stream programme

The UK Civil Service Fast Stream is a three- to four-year development programme designed to attract outstanding candidates to work in the UK Civil Service and prepare for future leadership positions. The Fast Stream has 15 different tracks, each corresponding to a different profession in the civil service – from commercial (business) professions to science and engineering roles. Each track offers a blend of structured and on-the-job learning, with most featuring the opportunity to work for a variety of government departments in rotating locations.

Source: US Government (n.d.[22]), *White House Leadership Development Program*, https://www.pic.gov/whldp/ (accessed on 19 May 2022);UK Government (Government of the United Kingdom, n.d.[23]), *UK Civil Service Fast Stream, https://www.faststream.gov.uk/ (accessed on 19 May 2022)*

Making use of instruments to support co-ordination

Establishing instruments to improve horizontal co-ordination

Perhaps one of the most critical roles of the CoG is its work in the co-ordination of government processes. Experiences in OECD countries have shown that the process of increasing co-ordination and strategic capacities across government is a long-term endeavour. Moreover, it is confronted with certain challenges, notably the resistance of line ministries in aligning their own programmes and initiatives with high-level government priorities if this means modifying or delaying decision-making on issues falling under their purview (OECD, 2018[24]). In addition to a lack of whole-of-government consensus, personal incentives for individual ministers may also prove to be an obstacle to horizontal co-ordination. Nevertheless, co-ordination between the CoG and line ministries and other institutions is imperative and driven by functionality to establish more effective co-ordination for better policy design and planning, and for better engagement with stakeholders to implement and evaluate complex strategies. One can distinguish between co-ordination across CoG units, for instance effective planning (see Chapter 2 on planning and prioritisation) or integrating budget and strategy effectively (see Chapter 3 on budgetary governance), and co-ordination between the CoG and line ministries as well as other public entities, for instance for the design, implementation and evaluation of a whole-of-government strategy. The OECD identifies eight different dimensions of co-ordination that are linked to typical functions of CoGs in OECD countries (OECD, 2004[25]):

1. Co-ordination of organisational arrangements for the cabinet and ministerial committees.
2. Co-ordination of the policy content of proposals for the cabinet.
3. Co-ordination of legal conformity.
4. Co-ordination of the preparation of government programmes and priorities, and their linkage to the budget.
5. Co-ordination of communications.
6. Co-ordination of the monitoring of government performance.
7. Co-ordination of relations with the parliament.
8. Co-ordination of specific horizontal strategic priorities.

The existence of numerous CoG institutions in Brazil and their exercise of shared responsibilities require functional co-ordination instruments for high-level policy discussion and decision-making, for instance for effective planning or integrating budget and strategy effectively. Improved co-ordination between the CoG's units can also help to avoid overlapping activities between institutions and allows the CoG to speak with one voice. Governments have developed different co-ordination approaches to ensure effective horizontal co-ordination between the CoG and different line ministries and agencies. They have a range of instruments at their disposal for improving co-ordination. They include cabinet meetings, cross-departmental meetings, permanent or temporary working groups and committees of both ministers and public officials. Each of these mechanisms may involve exchanges between two institutions or a greater number of actors within the government. These instruments may help governments improve co-ordination across institutional boundaries; however, their establishment is no guarantee for more co-ordinated policy and law-making. The simple creation of co-ordination mechanisms is unlikely to solve the issue of limited co-ordination but may in fact compound it. Instead, the need for co-ordination, indeed the imperative requiring greater co-ordination, should be driven by functionality. Co-ordination is not an end in itself; instead, it is a necessary condition for better policy design, improved planning, better engagement with stakeholders to implement and evaluate complex strategies.

Figure 1.3 presents the various institutional mechanisms used by CoG institutions in Brazil to ensure policy co-ordination with line ministries and agencies. Cabinet meetings are one of the two most common co-ordination instruments used by CoG institutions. A large majority (88% of questionnaire respondents) reported the use of cabinet meetings for co-ordination. Across the OECD, regular cabinet meetings are also the main institutional instruments used by the CoG to ensure policy co-ordination (OECD, 2018[3]).

In most OECD countries, more or less regular cabinet meetings are the principal forum for policy deliberation and decision-making (OECD, 2018[3]). In presidential systems, bilateral meetings with key ministers or advisors tend to be more common. Most systems also involve committees of ministers, state secretaries and advisors to prepare and transmit advice to the cabinet or the head of government. The centre plays an important role in preparing these meetings to verify the quality of advice and supporting information, help resolve disputes and ensure that any required procedures (for example consultation, regulatory impact analysis, articulation of financial and legal implications) are followed.

Figure 1.3. Instruments used by different CoG institutions to ensure horizontal policy co-ordination with line ministries and agencies
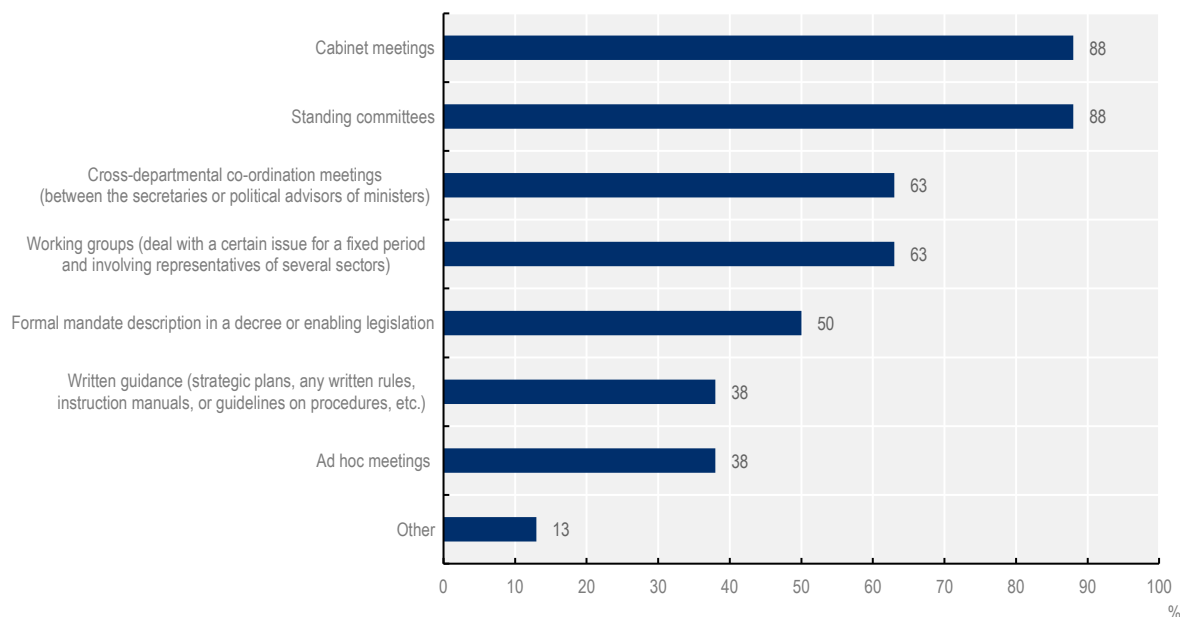
Note: Based on 9 CoG institutions' responses to the OECD questionnaire (n=9).
Source: Author's own elaboration based on Brazil's responses to OECD CoG questionnaire (OECD, 2021[15])

Permanent inter-ministerial committees or councils are an equally important co-ordination instrument by CoG institutions in Brazil. As Figure 1.3 shows, 88% of the questionnaire respondents report the use of this instrument for co-ordination. Inter-ministerial committees may not focus on a broad policy area (economic, social, environmental) but rather on a specific issue or problem. These committees or councils are often facilitated by CoG staff to co-ordinate across policy areas and institutional boundaries.

The frequent use of this instrument is in line with OECD practice. The 2017 Survey on the Organisation and Functions of the Centre of Government (OECD, 2018[3]) found that the CoG in OECD countries is also highly involved in organising cross-government policy co-ordination committees, including at the ministerial level. More than three-quarters (78%) of respondents reported organising meetings of ministers, confirming the CoG's close proximity to and involvement with the wider executive.

The establishment of permanent committees or councils does not of course guarantee seamless co-ordination, in particular for policy issues that pertain to the area of competency of more than one ministry, and always depends on the active support of the participants. However, their use as an instrument for horizontal co-ordination can help resolve differences at the technical levels and reduce the number of arbitration instances between institutions by the head of government.

In Brazil, two different levels of inter-ministerial committees were first established by President Cardoso (Costa Cavalcante and de Ávila Gomide, 2018[26]). Conflicts between different line ministries not resolved by lower technical level committees were passed to higher inter-ministerial committees and councils, comprised of ministers and co-ordinated by the Head of Casa Civil (a position that can be compared to a chief of staff to the president) (Costa Cavalcante and de Ávila Gomide, 2018[26]). In the case that differences between departments were not resolved by the ministers, the president is expected to arbitrate (Gaetani, 2011[27]). Such a system allows for the effective resolution of conflicts, while it also limits situations of groupthink, where high-level involvement may lead to consensus decisions without critical consideration of diverging opinions (Janis, 1972[28]).

Three permanent committees play a particularly important role in whole-of-government co-ordination: the Government Council, the Interministerial Governance Committee and the Budget Execution Board. The activities of all three are facilitated by CoG staff. This is in line with the approach taken by OECD countries, for instance Costa Rica and Spain.

- The **Government Council** (*Conselho de Governo*) has great importance for whole-of-government co-ordination. As an advisory body to the president (Law No. 13.844/2019) for the formulation of guidelines for government action, it is chaired by the president of the republic or by a replacement and is composed of the vice-president as well as all CoG and line ministry ministers. Even though the council gathers less frequently than in the past (previously weekly), meetings are held on a regular basis once per month. Following the approach of two-level co-ordination, the council is complemented by different sectoral chambers, which are created with the purpose of formulating sectoral policies whose scope exceeds the competency of more than one ministry. While the success of the council and the subordinated chambers always depend on political will and support, they can function as important fora for the definition of priorities and co-ordinated policy making. They should therefore meet with some frequency to discuss relevant themes and necessary measures.

- The **Inter-ministerial Governance Committee** (*Comite Interministerial de Governança*, CIG), established by Decree No. 9.203/2017 (amended by Decree No. 9.901/2019), is responsible for advising the president on matters of public governance. Under the co-ordination of Casa Civil with the Special Secretariat for Government Relations (SERG) as the committee's executive secretariat, CIG brings together the ministers or executive secretaries of the Ministry of Economy and the Office of the Comptroller General. Representatives of other bodies and entities of the federal public administration may be invited to participate in CIG meetings, without the right to vote. Following its quarterly meetings, CIG proposes organisational measures, mechanisms and practices to comply with principles and guidelines of public governance set out in Decree No. 9.203/2017 and approves recommendations to other bodies to ensure coherence and co-ordination of specific governance programmes and policies. The committee also approves manuals and guides on public governance for the entire administration and promotes and monitors the application of best practices. For planning purposes, CIG also represents the link between the Ministry of Economy and Casa Civil, however, the identification and monitoring of priorities remain ambiguous (see Chapter 4).

- The **Budget Execution Board** (*Junta de Execução Orçamentária*, JEO) (see Chapter 3 for more information) was established in 2019 as a direct advisory body to the president for the conduct of the country's fiscal policy (Decree No. 9.884/2019). The Ministry of Economy assumes the function of the executive secretariat of the board. As shown in Chapter 3, co-ordination between the CoG and the Ministry of Economy becomes particularly relevant for budgetary and financial management. The board serves as a forum for co-ordination between the Ministry of Economy and Casa Civil for the allocation of public resources. During its meetings, Casa Civil represents the interests of line ministries. The board is supported by the subordinate Technical Committee for Budget and Financial Management composed of the Federal Budget Secretary of the Special Secretariat of Finance of the Ministry of Economy, the Secretary of the National Treasury of the Special Secretariat of Finance of the Ministry of Economy, the Secretary of Economic Policy of the Special Secretariat of Finance of the Ministry of Economy, the Special Secretary of the Federal Revenue of Brazil, the Deputy Head of Government Action of Casa Civil; the Deputy Head of Co-ordination of Monitoring of Casa Civil, the Executive Secretary of Casa Civil, the Executive Secretary of the Government Secretariat and the Special Secretary for Government Relations of Casa Civil.

While these permanent committees or councils may contribute to the clarification of responsibilities and help administrative barriers, the OECD's fact-finding missions revealed that representatives from different ministries sometimes do not have a shared understanding of priorities, joint projects are rare and the

alignment of policies with the budget could be improved. Moreover, due to the number of co-ordination instruments, civil servants may lose track of their ministry's involvement. The simple establishment of new co-ordination instruments will not automatically lead to improved levels of co-ordination. The government of Brazil should also ensure that permanent councils and committees are equipped with the necessary political support to fulfil their functions.

Interviews held during the OECD's fact-finding missions showed that not all CoG constituent bodies are fully aware of Inter-ministerial Governance Committee (CIG) functions and responsibilities. To further foster the three constituent institutions' co-ordination on matters of public governance and overcome reported challenges, Brazil could consider convening CIG on a more frequent basis or allow staff at the technical level to meet in preparation of the more high-level CIG meetings. With the aim of supporting CIG in the fulfilment of its functions, two subordinate working groups on infrastructure and CoG were created in 2019 and 2020. The Centre of Government Working Group that is comprised of representatives of Casa Civil, the Ministry of Economy and the Office of the Comptroller General assist CIG with identifying measures necessary to improve the governance of the CoG and contribute to the assessment of the CoG's functioning and decision-making, in order to guarantee an integrated and structured action. The government should regularly assess the need for additional working groups to support CIG's work in other thematic areas.

Another often used co-ordination instrument of CoG institutions is working groups. A total of 63% of the CoG respondents to the OECD questionnaire resort to working groups to deal with policy co-ordination with line ministries and agencies (Figure 1.3). Working groups are most commonly established by different institutions through laws, decrees or other normative acts to focus on particular issues or problems, sometimes with concrete deadlines for the development of studies or solutions to challenges. They are usually comprised of several different ministries and institutions. To facilitate their work, task forces often establish protocols and procedures to exchange information and documents. Often, a lead person or institution, responsible for oversight and facilitating operations, chairs the working group or task force. The chair regularly prepares the agenda, ensures cohesion among the different participating units/institutions and is in charge of implementing the working group's decisions. The appointed chair should also be involved in the planning and implementation of the budget and multi-annual financial plan within the scope of the working group's entrusted tasks. Despite, its composition and mandate, the success of the chairperson and the working group is in practice also subject to the political support they receive. It is thus crucial that they have political backing and enjoy respective decision-making authority within their respective scope of tasks. Moreover, working groups need to be provided with adequate financial resources, personnel, expertise and technical support to co-ordinate policy making. It is therefore important that the head or chair of the working group communicate their human and financial needs. They could further be involved in the planning of the budget and multi-annual financial plan within the scope of their entrusted tasks.

In order to systematically assess the use and effectiveness of the great number of existing councils, committees and working groups, the current government has initiated a review process. This effort resulted in the dissolution of several working groups and committees not created by and detailed in primary legislation that was found to be superfluous (Decree No. 9.759/2019). Through the same decree, the government further established new guidelines for the creation and functioning of councils, working groups and committees. While around 700 different bodies were affected by the decree, those bodies established by decree or other inferior norms were continued if the public authority in charge was able to justify their existence to Casa Civil. At the moment of publication, it was unclear how many bodies were dissolved as the government has not published a detailed list. A register of councils, committees and working groups each public institution presides over, co-ordinates or is participating in is scheduled to be published on the respective institution's website in the future. This list is supposed to be updated on a monthly basis to decide which committees work well, which have overlap and where bottlenecks exist.

Decree No. 9.759 faces several challenges (OECD, forthcoming[29]). The decree was sanctioned by the Federal Supreme Tribunal (*Supremo Tribunal Federal*, STF), citing that the executive cannot close instances created by the legislative and that is based on the constitution (Agência Brasil, 2019[30]). STF judges also criticised too vague a list of bodies to be dissolved, which can create a legal vacuum. This legal uncertainty pushed public institutions to issue new norms, contributing to the proliferation of legislation and supporting fragmentation. Several stakeholders from academia and civil society also raised concerns, highlighting that the decree further limits the possibilities for participation, in particular regarding the national policy councils (Teixeira, de Paiva Bezerra and Kunrath Silva, 2019[31]). Research presented in the OECD Open Government Review of Brazil (forthcoming[29]) has shown that Decree No. 9.7559 also affected the quality of participation in the councils, committees and working groups, both in terms of representation and inclusion. The extinction of spaces for participation without the creation of other mechanisms for stakeholders to be involved in policy making reduces the space for dialogue, decreases transparency and accountability and can affect trust and confidence in public decision-making (OECD, forthcoming[29]).

In line with the recommendation of the forthcoming Open Government Review of Brazil (forthcoming[29]), the government may consider adopting a consultation-based approach to reviewing councils, committees and working groups and update Decree No. 9.759 in a way to ensure that all remaining bodies are efficient, representative and inclusive (OECD, forthcoming[29]). At the time of publication, Brazil had not yet published the entire list of bodies affected by Decree No. 9.759. Besides the overview provided on individual institutions' websites, a register of all existing co-ordination bodies is not accessible to the public. To enhance transparency and facilitate stakeholder information, the government could thus consider publishing the entire register of on a single government website. In addition to the composition and legal basis of each body, the register should also list the goals and objectives of all councils, committees and working groups.

In addition to working groups, 63% of the surveyed CoG institutions also reported the use of cross-departmental co-ordination meetings (between the secretaries or political advisors of ministers). While most co-ordination mechanisms depend upon a certain degree of formality and regularity, the interaction of senior officials or technical staff is often not directly perceived as a co-ordination mechanism due to its informal character and the minimal transaction costs that it generates. However, in particular to discuss technical details and resolve technical issues between a small number of institutions, the adoption of such informal arrangements can also positively affect co-ordination. Nevertheless, the prospects for forging co-ordination through informal cross-departmental meetings can be expected to vary according to the involved individuals and might consequently depend on participants' personalities, knowledge and interpersonal relations.

While cabinet meetings, standing committees, working groups and cross-departmental co-ordination meetings were considered the main institutional instrument used by the CoG for ensuring policy co-ordination, responses to the OECD questionnaire confirmed that ad hoc meetings of public officials are also an important institutional venue for co-ordination and for working through differences or conflicts in substance or territory. One-third of respondents (38%) said they use ad hoc meetings to ensure horizontal policy co-ordination with line ministries and agencies. These meetings offer an opportunity for officials to develop a shared understanding of each other's work and the issue at hand.

The transversal nature of policy co-ordination and need to involve different stakeholders necessitates institutional arrangements. OECD member country experience shows that an adequate institutional architecture can facilitate effective and efficient horizontal and vertical co-ordination. To ensure that the responsibilities of different government institutions for intra-governmental co-ordination are clear, governments across the OECD have started to establish formal mandates. Often, the roles, tasks and duties for co-ordination are enshrined in legal mandates to provide institutions with the necessary power to focus on co-ordination across administrative units and policy sectors. Having the responsibility for co-ordination codified in a decree or legislation creates legal certainty and legitimacy in relation to other

actors and may raise awareness of the importance of co-ordination. Providing public officials with a strong mandate can thus help ensure effective co-ordination. Against this background, the OECD Recommendation on Policy Coherence for Sustainable Development calls for the establishment of clear mandates to ensure whole-of-government co-ordination for sustainable development in order to "identify and mitigate divergences between sectoral priorities and policies, and promote mutually supporting actions across sectors and institutions" (OECD, 2019[32]).

While a formal mandate based on decrees or laws can help to establish responsibilities for co-ordination, policy documents including written guidance can raise awareness of the importance of horizontal co-ordination and may offer advice to public officials that are tasked with co-ordination. They can provide guidance and clarity, highlight good practices and objectives that a particular institution seeks to meet. Examples of such policy documents with guidance include written rules, instruction manuals or guidelines on procedures. While guidance can be enshrined in separate policy documents, it can also be incorporated into strategic plans. Reference to co-ordination in development strategies can help to raise public officials' awareness of the benefits of co-ordination as a catalyst to implement the CoG unit's strategic policy objectives.

Only 38% of the responding CoG institutions use written guidance as an instrument to improve horizontal co-ordination in Brazil. Figure 1.4 shows that Brazil's CoG units currently provide guidance on the drafting of legal acts and legal conformity (83%). The existence of guidance on the conduct of public consultations and the evaluation of policy proposals was also reported by a majority of the surveyed CoG entities. However, only half of the surveyed institutions report the existence of guidance on the co-ordination across different sectors and administrative units. For those units and institutions using written guidance, it is important that they constantly review the use of their documents to assess the extent to which they are working.

Figure 1.4. CoG guidance provided to line ministries

Do CoG units provide guidance (templates, guidelines, checklists, training, etc.) to line ministries and other government bodies to enhance the quality of policy advice on the following points?
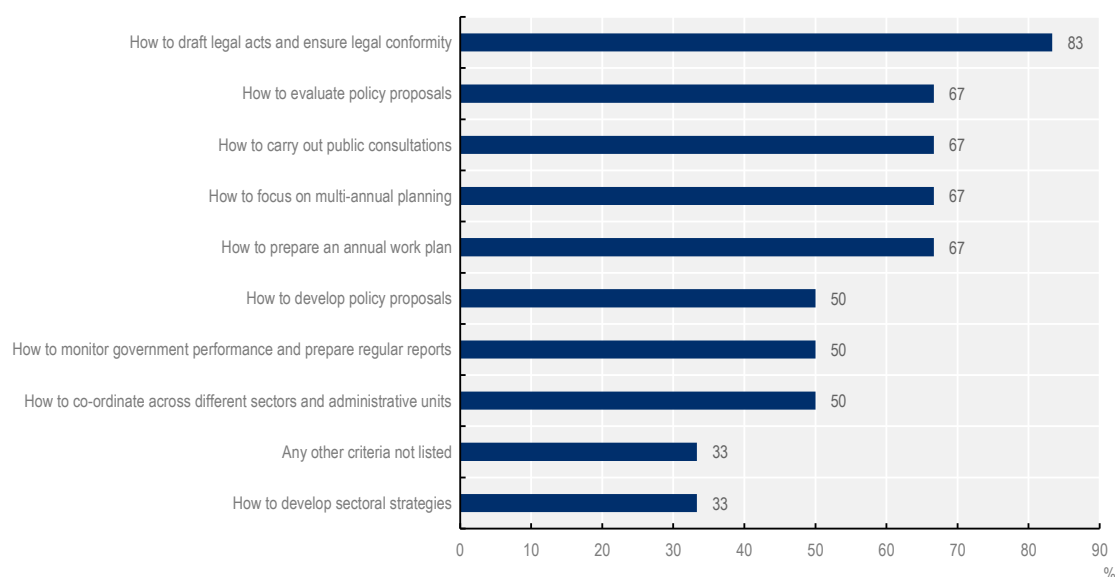
Source: Author's own elaboration based on Brazil's responses to OECD CoG questionnaire (OECD, 2021[15]).

Vertical policy co-ordination with subnational governments

Managing relations with constituent governments to co-ordinate policy is of great importance for the CoG in federal states, where sovereignty is shared between the federal level and subnational governments (OECD, 2018[3]). In federal systems, the state-level subnational governments are autonomous in certain policy areas but often share competencies with the federal government. In particular, for areas of shared competency, vertical co-ordination between the federal and subnational governments is important. Co-ordination led by the federal government in policy areas that are constitutionally the responsibility of the states is based on voluntary participation by the states – and is usually the subject of federal incentives like the promise of federal money. It is therefore not a surprise that in almost half of OECD countries (49%), the CoG has a co-ordinating role across levels of government. In Australia and Hungary, this role is reported to be one of the CoG's top four functions (OECD, 2018[3]).

Brazil's 3-tier federal system is composed of 26 states, a federal district and 5 570 municipalities (Government of Brazil, 1988[33]). Brazil represents an exceptional case among federal countries, due to the prominent role played by municipalities, the high degree of local autonomy and no hierarchical relationship between state governments and municipalities (OECD, 2020[34]).

Policy-making and service delivery require effective co-ordination arrangements to ensure that strategies and priorities at both the national and subnational levels are aligned. The government of Brazil, like all federal governments, relies on subnational counterparts for the actual implementation of many of its policy objectives. Co-ordination among levels of government is particularly important when it comes to shared and overlapping responsibilities, as is often the case in federal countries. Co-ordination can help to align priorities and objectives and to overcome challenges posed by unclear assignment of responsibilities or by a series of information, financing and capacity gaps that impede the efficient use of resources. Effective multi-level governance can facilitate well-managed and co-ordinated public policies in decentralised policy areas and generate substantial savings. It is therefore important to develop co-ordination mechanisms between and across each level.

Given the importance of the state governments in achieving the ambitions of the federal government, the vertical relationships must work and the CoG clearly plays a role in making them efficient and effective. All countries need to manage the interface with lower tiers of government and a diverse range of delivery patterns. Vertical co-ordination is therefore crucial. It can help limit the growth of inequalities and ensure coherent policies in federal countries. Through enhanced dialogue and exchange of information, well-managed co-ordination can also reinforce trust among the different levels of government and lead to more effective policy implementation.

In line with the OECD's guidelines on decentralisation (see Box 1.3), co-ordination mechanisms across levels also need to be strengthened by the CoG which has the capacity to steer policy development and implementation through a supporting and advisory role for subnational governments and non-governmental stakeholders. Effective policy co-ordination in fact calls for a whole-of-government approach, where the CoG shares with other government actors some key responsibilities, such as supporting effective decision-making, overseeing the quality of the policy process, facilitating policy co-ordination, communicating relevant policy messages and monitoring and evaluating outcomes (OECD, 2018[3]). Multi-level co-ordination can also enable better adjustment of policies to the needs of different localities. When decisions are taken in silos, resources are more likely to be assigned to policies that do not necessarily respond effectively to local needs. It is through joint actions that policies and service delivery may target the proper scale, internalising positive or negative spill-overs and implementing the complementary measures needed to make the most of the interventions. Multi-year programming and policies can further support a co-ordinated approach and enable better forecasting and alignment of objectives across levels of government.

Box 1.3. OECD guidelines to make decentralisation work

Guideline 5: Build adequate co-ordination mechanisms across levels of government

With regard to building adequate co-ordination mechanisms across levels of government, the OECD's guidelines for implementing decentralisation recommend countries establish governance mechanisms to manage joint responsibilities. This is crucial since most responsibilities are shared. Creating a culture of co-operation and regular communication is essential for effective multi-level governance and successful long-term reform. Tools for vertical co-ordination include, for example, dialogue platforms, fiscal councils, commissions and intergovernmental consultation boards, and contractual arrangements. It is important to avoid multiplying co-ordination mechanisms with no clear role in the decision-making process.

Note: The report *Making Decentralisation Work: A Handbook for Policy-Makers* further details the rationale for each guideline, offers practical guidance, identifies pitfalls to avoid, highlights good practices and includes a checklist for action.
Source: OECD (2019[35]), *Making Decentralisation Work: A Handbook for Policy-Makers*, https://doi.org/10.1787/g2g9faa7-en.

During the OECD's fact-finding missions, a lack of alignment between the federal government and the states and municipalities was reported by several participants. Also, with regard to the joint work of all three levels of government in solving problems and developing policies and programmes that assess the impact of policy on practices, limited progress was reported during the OECD's interviews. Processes in place to communicate and co-ordinate with subnational governments were described to be hampered by limited engagement and consensus on clear priorities and the specificity of clear results. Recognising the legislative boundaries of the federal government and the role of the CoG in taking a system approach to results is important. The CoG may thus wish to review the extent to which priority programmes are built bottom-up and top-down with other tiers of government.

Figures 1.5 and 1.6 show the CoG's engagement and co-ordination with subnational governments in the decision-making process. Half of the surveyed CoG institutions (50%) in Brazil report the use of formal consultations with state government representatives led by the CoG. Following Decree No. 10.591/2019, the Secretariat of Government's Special Secretariat for Federative Affairs (SEAF/SEGOV) supports the CoG's dialogue with subnational governments, which was described as being limited during OECD fact-finding missions. A consultation practice that is worth highlighting is the Ministry of Foreign Affairs' dialogue with municipal representatives. The ministry provides institutional support with issues related to foreign policy through a network of regional offices (Decree No. 9.683/2019).

The thematic configurations of the Federative Articulation Committee (CAF) represented sectoral committees where state government and municipal representatives participate in the policy-making process. While they were revoked by Decree No. 9.784/2019, these thematic configurations had an advisory function and aimed at promoting the formulation of strategies and the implementation of co-ordinated and co-operative actions between the CoG, the states and the federal district and municipalities. CAF was chaired by the Head of the Government Secretariat and composed of the chief of staff of the presidency (Casa Civil), the Minister of the SG, the Minister of the Institutional Security Office, the Minister of the Comptroller General, the Minister of Economy as well as of representatives of the state governments, the Brazilian Association of Municipalities, the National Confederation of Municipalities and the National Front of Mayors.

Figure 1.5. The CoG's engagement and co-ordination with state governments in Brazil

Category	Value
The CoG does not engage with state governments in the decision-making process	13
Through the Brazilian Development Bank (BNDES)	13
Regional Development Agency overseen by the CoG	13
National and regional directives written and implemented by the CoG	13
Inter-ministerial committee where state government representatives participate	25
Sectoral committee where state government representatives participate	38
Formal consultation with state government representatives led by by the CoG	50

Source: Author's own elaboration based on Brazil's responses to OECD CoG questionnaire (OECD, 2021[15])

Another example of a committee facilitating vertical co-ordination was the National Commission for Sustainable Development Objectives (CNODS) created for the joint implementation of the UN 2030 Agenda for Sustainable Development. Before it was revoked in 2019 (Decree No. 9.759), the commission led as an advisory body the process of articulation, mobilisation and dialogue on SDGs with federal entities and civil society. Following Decree No. 8.892/2016, the Head of the Secretariat of Government (SEGOV) chaired the commission that brought together representatives of the federal, state, district and municipal governments and civil society. The Special Secretariat for National Articulation (SEAS/SEGOV) served as the commission's executive secretariat. The National Confederation of Municipalities (CNM) and the Brazilian Association of Municipalities (ABM) represented the municipal level.

In several inter-ministerial committees, states, municipalities or other entities can be invited to ensure co-ordination across levels of government. Two examples are the Federal Committee for Emergency Assistance and the Chamber of Foreign Relations and National Defence of the Government Council. Law No. 13.684/2018 establishes the Federal Committee for Emergency Assistance, a deliberative organ, presided by the Head of the Casa Civil with ten other ministers as members. Representatives of organs and entities of the union, states, federal district, municipalities, CSOs, international organisations and private entities can be invited to collaborate within the scope of its activities. To facilitate the formulation, implementation and monitoring of policies in the area of foreign affairs and national defence that go beyond the scope of responsibility of one ministry, Decree No. 9.819/2019 created the Chamber of Foreign Relations and National Defence of the Government Council. Albeit an advisory body composed of different ministries, representatives of other organs and entities of the federal, state, district and municipal public administration and private institutions, including non-governmental organisations, may be invited to participate in meetings to support the decision-making process, though without the right to vote.

Comparing the level of the CoG's engagement with different subnational governments, it becomes apparent that consultations with municipalities occur less frequently than those with state governments. While the two tiers' different competencies and the number of representatives may offer an explanation for the differences in dialogue, the prominent role played by municipalities in Brazil calls for reinforced co-ordination.

Figure 1.6. The CoG's engagement and co-ordination with municipalities in Brazil
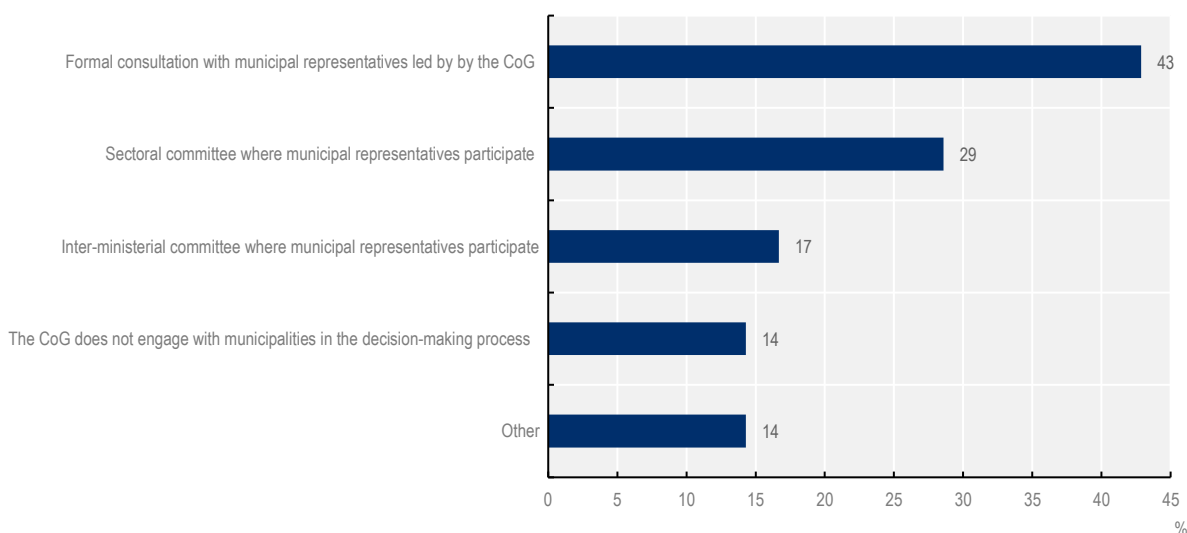
Source: Author's own elaboration based on Brazil's responses to OECD CoG questionnaire (OECD, 2021[15])

Ensuring a smooth transition between administrations

Government transitions are both a cornerstone and a particularly sensitive period in the democratic process (Partnership for Public Service, 2018[36]). The regular transfer of power between political groups is understood as a crucial mechanism for stability within democratic systems as it decreases the "stakes" of holding power and promotes buy-in from all stakeholders in the political arena (Ruiz-Rufino and Birch, 2020[37]). Alternation in power also functions as a mechanism for accountability in democracies and respect for the outcome reflects public trust in institutions (Lundell, 2011[38]). Lastly, the process of transition itself requires co-operation across the political spectrum. Successful transitions can also result in less uncertainty and fear of change by minimising public costs and economic losses during the transitional period, while strengthening democracy and reducing polarisation. Despite these benefits, transfers of power entail a number of risks (Table 1.2).

Table 1.2. Risks and challenges inherent to political transitions

	Candidates and incoming government	Incumbent/ outgoing government	Public servants
Before the election	Preparing to govern while campaigning to win	Leadership void during the lame-duck period*	Maintain administration running while facing uncertainty about future priorities
		Midnight regulations, burrowing practices	Preparation and planning for the governmental transition while serving the incumbent
After the election	Initial decisions are highly anticipated but performance is constrained by lack of experience and/or knowledge	Dispute over the legitimacy of election results	Adapting to the priorities and style of the incoming government
		Revolving doors/outgoing officials entering the private sector	High level of turnover

Note:
* A lame-duck period can also occur after the election depending on electoral rules in place (i.e. in the US).

The experience of transferring or preparing to transfer power after an election, especially if that transfer occurs between a longstanding party or leader to an opposition candidate or coalition, requires significant focus on mechanisms that support sustainable, democratic governance. Effective transitions provide an opportunity to showcase the ways that democratic processes can ensure continuity and sustainability in governance despite shifts in leadership.

According to OECD data, the vast majority of CoGs take complete or shared responsibility for transition management (Figure 1.7), although only half of the surveyed countries had written guidelines codifying government transitions (OECD, 2018[3]). The three tasks most commonly carried out by the CoG in the context of a transition are (OECD, 2018[3]):

- Providing policy advice to the incoming government.
- Ensuring that written records are transmitted to the incoming government.
- Co-ordinating reports, guides or manuals for incoming governments.

Figure 1.7. Responsibility for transition planning and management
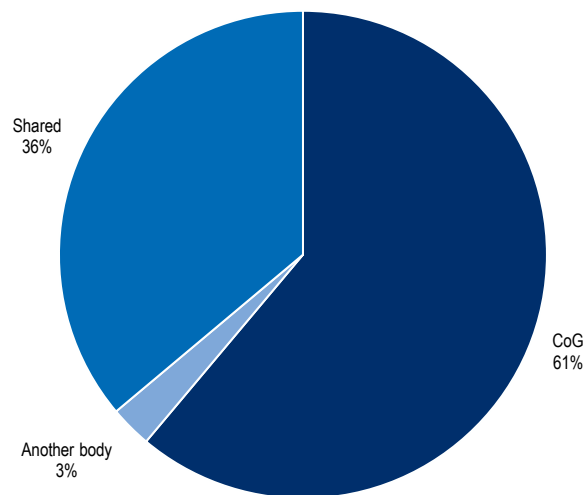
Source: OECD (2017[8]), "Survey on the organisation and functions of the centre of government", OECD, Paris; OECD (2018[3]), *Centre Stage 2 - The Organisation and Functions of the Centre of Government in OECD Countries*, OECD, Paris.

In Brazil, planning and managing the transfer of power is crucial as transitions are characterised by a high degree of staff and leadership turnover. The head of the CoG is replaced when there is a change of government and over 50% of the senior staff changes with each new government (OECD, 2017[8]). For context, 86% of surveyed OECD countries indicated that less than 50% of their senior management was replaced during a government transition (OECD, 2018[3]).

The case of Brazil represents one of the most streamlined frameworks for government transitions in Latin America. Brazil enshrined legal requirements for transition planning and management. The established process provides very clear directions regarding the principles to follow, the integration of the transition team as well as the form of briefings. The transition process is also accordingly funded and sanctions for non-compliance exist. The transition process is based on the following legal bases:

- Law No. 10.609/2002 provides for the institution of a transition team by the candidate elected for the office of president of the republic, creates commission positions and other measures.

- Decree No. 4.199/2002 provides for the provision of institutional information relating to the federal public administration to political parties, coalitions and candidates for the Presidency of the Republic until the date of official disclosure of the final result of the election.
- Decree No. 7.221/2010 provides the principles for the performance of agencies and entities of the federal public administration during the governmental transition process, namely: i) collaboration between the current government and the elected one; ii) transparency in public management; iii) planning of government action; iv) continuity of services provided to society; v) supremacy of the public interest; and vi) good faith in the performance of administrative acts.

Brazil has legal guidelines in place, which outline the responsibilities for the transition, the establishment of transition teams, their composition and the budget allocated to them. According to Law No. 10.609/2002, the elected candidate is entitled to establish a transition team of up to 50 people that are freely selected. The purpose of the transition team is to learn about the functioning of the bodies and entities that make up the federal public administration and to prepare the policy programme for the new presidency. The successful candidate can nominate members of their transition team and appoint a transition co-ordinator on the second business day following the election results. The co-ordinator is responsible for requesting information from the federal public administration bodies and entities on behalf of the team as a whole, while the bodies and entities of the federal public administration are obliged to provide the information requested by the transition team co-ordinator. While the elected candidate nominates the members of the transition team, Casa Civil is responsible for appointing these members to up to 50 commissioned positions called Special Transition Governmental Positions (CETG) and provides this transition team with infrastructure and administrative support necessary for the performance of their activities.

Guidelines concerning briefing information and data shared by the incumbent government with candidates and newly elected officials prior to and following the election are regulated by Decree No. 4.199 and Decree No. 7.221 respectively. Prior to the election, the registered candidate's party or coalition are entitled to request information from the Casa Civil executive secretariat, which may then order the appropriate entity to provide the information in writing within 15 days. Information and data in the public domain are to be made available at any time, while information concerning state secrets, bank secrecy, taxes or justice cannot be communicated. Similarly, following the election, the minister of Casa Civil is tasked with co-ordinating the work related to the governmental transition process. The transition team nominated by the newly elected candidate may have access to information contained in records, documents, archives of the federal administration on the following topics:

- The activities carried out by the bodies and entities, including those related to their policy, organisation and services.
- The federal government's public accounts.
- The organisational structure of the public administration.
- The implementation, monitoring and results of programmes, projects and actions of public bodies and entities, as well as proposed targets and indicators.
- Matters that require the adoption of measures, actions or decisions by the administration in the first four months of the new government.

During the transition, all requests for access to information must be made by the transition co-ordinator to the Executive Secretary of Casa Civil, which in turn requests the information from the relevant bodies within the administration. Additionally, the Executive Secretary of Casa Civil is authorised to request information from the executive secretaries of the ministries and equivalent authorities on the following: programmes carried out and in execution relating to the president of the republic's term of office; agenda of commitments with a timetable defined by legal, contractual and other requirements; projects to be implemented or that have been suspended; and a glossary of projects, technical terms and acronyms used by the public administration. In addition to these legal processes, Brazil has developed a number of tools to facilitate transition management (Box 1.4).

Box 1.4. Tools to facilitate transition management in Brazil

Transition Portal: The transition portal is a website developed by Casa Civil to disseminate information and grant access to databases, documents and legislation. This portal is freely accessible through the Government Portal for those who hold positions in the Special Commission, directors and superior advisors, including the Special Government Transition Positions, of the elected candidate's team.

Agenda 100: By listing all commitments assumed by the government relating to legal requirements, international agreements, the parliamentary agenda and economic aspects, Agenda 100 is an important tool for the incoming government. It outlines potential risks with regard to unilateral breaches of agreements and contracts, fines and legal sanctions as well as diplomatic sensitivities.

Server's Guide: It is a permanent consultation instrument for any members of the new government who are not familiar with the legal norms that regulate the relationship between public servants and the administration. It contains information on the admission of new civil servants, their appointment, recruitment, remuneration, functions or possible changes.

Source: Author's own elaboration based on OECD fact-finding missions and information provided by the government of Brazil.

Some OECD countries establish an adequately equipped temporary unit, chaired by a senior employee of the CoG, which is responsible for co-ordinating the transition between the outgoing and the incoming government. Such designated teams can advise ministries on the preparation for a potential transition and support information requests and the preparation of briefing material in case of a change of government. An example of such a unit is the White House Transition Coordinating Council (Box 1.5). In addition, some countries designate individual senior civil servants in each CoG institution and line ministry as transition points of contact to oversee transition activities.

Box 1.5. The White House Transition Coordinating Council

Six months before an election, the president must establish a White House Transition Coordinating Council, chaired by a senior employee of the Executive Office of the President and consisting of other high-level officials, such as: cabinet officers; the Directors of the Office of Management and Budget, the Office of Personnel Management and the Office of Government Ethics; the Administrator of General Services Administration (GSA); and the Archivist of the United States. A transition representative of the major candidates also sits on the council. The council provides guidance to agencies on transition and facilitates communications between the administration and the transition teams.

Source: Center for Presidential Transition (2020[39]), *Presidential Transition Act*.

The OECD identifies a number of challenges to be addressed by the CoG in order to prevent risks and provide more certainty and trust in the transition process in Brazil.

Actively promoting stronger planning of the transition and of the first days of government during the pre-election phase could have a positive impact. Experience shows that better-prepared teams and candidates, with solid public policy plans, are in a better position to "hit the ground running" when assuming office. In Brazil, the outgoing government provides information to all recognised presidential candidates and their teams when requested during the electoral process. Given the importance of planning ahead,

the government of Brazil could actively prepare and distribute essential information, for instance regarding the organisation of government and the respective organisation charts, institutions' budget or staff composition, before the presidential election. In the case of a change of government, more detailed briefing material prepared with the help of all line ministries in the weeks before the election may further facilitate a smooth transition.

Limits to policy action are controversial. While mandates usually contain clear end-dates, the legitimacy to make policy decisions may not. Many of the risks identified for government transitions processes such as "midnight regulations" and "burrowing in" take place during the so-called "lame-duck period". To prevent them, many countries put in place policy action restrictions that aim to protect the country from unilateral policy decisions that might limit or diminish the room for manoeuvre of the newly elected government. While those decisions may be legal, they may lack legitimacy by being contrary to what people or parliament expressed in an election or vote of confidence.

Three main types of restrictions can be identified in different countries: limitation to financial or budget compromising actions; limitation to compromising public credit or signing of new public contracts; and limitations in the appointment of permanent human resources or international representatives. However, these restrictions are expressed in different ways.

In Spain, for example, there are few but very clear codified limitations on what an acting government may not do. Australia is contemplating similar restrictions as an acting government in the caretaker period avoids: making major policy decisions that are likely to commit an incoming government; making significant appointments; and entering major contracts or undertakings. These previsions are presented in the cabinet office guidelines (Tiernan, 2007[40]).

In the UK, no restrictions are codified. However, it is customary for ministers to observe discretion in initiating any new action of a continuing long-term character. This means the deferral of activity such as: taking or announcing major policy decisions; entering into large/contentious procurement contracts or significant long-term commitments; and making some senior public appointments and approving senior civil service appointments, provided that such postponement would not be detrimental to the national interest or wasteful of public money. If decisions cannot wait, they may be handled by temporary arrangements or following relevant consultation with the opposition (UK Government, 2010[41]).

Another example is seen in New Zealand. As set out in the Cabinet Manual (Government of New Zealand, 2017[42]), it is clear that the incumbent government is still the lawful executive authority with all of the powers and responsibilities the office is provided with. However, once there is clarity regarding the new government, the outgoing administration is constrained from undertaking any new policy initiatives but should act on the advice of the incoming government on any matters of constitutional, economic or other significance that cannot be delayed until the new government takes office, even if the two disagree over the course of action to take.

Similar to Australia and New Zealand, the government of Brazil could thus consider introducing clear guidance on policy action for policy makers of the outgoing government to prevent and disincentivise burrowing in, midnight regulations, the compromising of future finance and credit or other unilateral policy decisions that limit or diminish the room for manoeuvre of the newly elected government after the election is held and before the formal government handover. While it is customary in Brazil that a departing administration will not take bold policy decisions when it is about to leave office, it is worth noting that Law No. 101/2000 on fiscal responsibility established a series of restrictions related to expenditure that limit the outgoing government.

As identified above, government changes in Brazil usually imply a major change in senior management personnel in the CoG. This could represent a challenge to the continuity of certain programmes and public policies and may also lead to a prolonged training period for new personnel to learn the circuits of power and administration. As of 2017, Brazil is among the countries where senior management in the CoG

changes the most with a change of government. In a large majority of OECD countries (27), only a small proportion of the senior management of the CoG (0-25%) changes with a change in government (OECD, 2018[3]). Equipping the CoG with a higher share of permanent staff that remains in charge of delivering policy between governments (as in other federal countries such as in Australia, Austria, Canada, Germany, Portugal and Switzerland) could result in greater stability and policy continuity.

Case study on business environment reform in Brazil

One of Brazil's cross-cutting, high-level goals is the transformation of the business environment to simplify the setting up and operation of businesses and attract investments while improving its position in international business environment rankings. In 2019, at the World Economic Forum in Davos, President Bolsonaro committed to working towards building a new business environment with the aim of transforming Brazil into one of the top 50 economies doing business in the world. The business environment reform has three primary objectives (OECD, 2021[6]):

- Modernise the business environment as a strategy for post-pandemic economic recovery.
- Contribute to the improvement of Brazil's position in the World Bank Doing Business index, which has gained wide visibility and acceptance and was considered to be an important tool for promoting Brazil's economy and attracting investments.
- Attract foreign direct investment through a better institutional environment.

In the context of this priority, Brazil has enacted a new Business Environment Law (14.195/2021), developed numerous memoranda of understanding that set out plans to modernise the business environment and implemented various policy initiatives towards the objective of promoting the modernisation of the business environment in Brazil and consequently improving Brazil's position in the World Bank Doing Business ranking.

The Special Secretariat for State Modernization (*Secretaria Especial de Modernização do Estado*, SEME) co-ordinates state modernisation and follows and monitors modernisation processes included in the National State Modernization Policy's five different thematic axes: i) prosperous business environment; ii) capacities of the modern state; iii) evolution of public services; iv) co-operation and articulation between public and private agents; and v) government and digital society. In the prosperous business environment axis, the SEME follows up and monitors actions and projects that may have an impact on the different areas of the Doing Business ranking and articulates with federal, state and municipal public agencies and entities representing civil society with a focus on improving the processes that make up the business environment.

Brazil's business environment reform programme has benefitted from a clear delineation of responsibilities and good intra-CoG co-ordination

The roles of the different institutions working on the reform of the business environment are clearly defined and contributed to better co-ordination between the different CoG actors as reported by all participants in the OECD's fact-finding mission. Within the CoG, the General Secretariat (SG) is responsible for state modernisation, while the Ministry of Economy's System of Organization and Innovation Institutional of the Federal Government (SIORG) and Special Secretariat for Debureaucratization, Management and Digital Government also play a role. In 2019, the SEME took over the responsibilities of the previously existing Bem Mais Simples programme that had the objective to simplify and expedite the access of citizens, companies and entities to public services and information, cut red tape for the provision of public services and modernise the internal management of the public administration between 2015 and 2018.

Following Decree No. 9.982/2019, the SEME is in charge of guiding strategic public policies and implementing policies and actions aimed at modernising the state and defining, co-ordination, monitoring, evaluating and supervising state modernisation programmes. It co-ordinates the preparation of the planning and formulation of the National State Modernization Policy and, in particular, supports other public administration bodies and entities in defining, evaluating and supervising the actions of the state modernisation programme. The important tasks of co-ordinating the elaboration of the business environment project as well as its implementation and monitoring are consequently also led by the SG's SEME. The secretariat is also responsible for the identification, agreement and support of projects, measures and action plans for state modernisation with federal, state and municipal governments and public entities, with a focus on improving the processes that make up the business environment. The Secretariat for Competition and Competitiveness Advocacy of the Ministry of Economy (SEAE/ME) is the second lead institution for the government's priority of reforming the business sector. As digitalisation falls within the SEME's regulatory competency and the secretariat has the responsibility for the co-ordination, elaboration and implementation of Brazil's Digital Government Strategy, no additional institution was involved to support work on this cross-cutting issue of the business environment reform programme. Besides digitalisation, no other cross-cutting issues (such as gender, social equality, youth or environment) were integrated into the reform programme.

Despite the Secretariat of Government's (SEGOV) responsibility for the political negotiations with line ministries and the executive's relations with the legislature, subnational governments and non-governmental actors, SEGOV was not directly involved in the development of the reform programme and was only consulted prior to the submission of legislative proposals to the National Congress. For policy issues related to the responsibility of different ministries, the Civil Cabinet of the Presidency (Casa Civil) decided about the involvement and leadership of the respective entities. Many of the policies included in the business environment reform already existed before the launch of the priority and have already been co-ordinated in the framework of the PPA or by other actors in Casa Civil. However, despite the late involvement of SEGOV, the relatively low number of newly proposed legal norms that were not approved show overall functioning co-ordination inside the CoG. The clear and well-defined line of command at the CoG pertaining to this reform programme has enabled efforts to be well co-ordinated: action plans did not overlap, relevant actors were made aware of the various initiatives, objectives were complementary and fed into each other, and the line of accountability was clear to all actors involved.

Effective co-ordination of a broad scope of themes during the elaboration and implementation of this reform programme

The development process of the reform programme saw the creation of ten thematic action groups (*Grupos Temáticos de Ação*, GTA), formed by experts in their respective fields, who provided an assessment and presented proposals for measures and actions to be included under the new reform programme. The participants of the individual action groups were selected and invited by the SEME. Participants included not only line ministries and agencies at the federal level but also representatives from subnational governments (e.g. from Rio de Janeiro and São Paulo), from the judiciary, academia and the private sector. Despite this broad array of stakeholders, CSOs were not invited to participate in the action groups for the elaboration of the Business Environment Modernization Plan and the development of individual legislation acts.

Each action group was presided by a co-ordinator, who was tasked with facilitating the discussions and exchange. The individual meetings of the action groups were arranged by the SEME with a focus on the different dynamics and schedules of meetings for each action group. The SEME kept in regular contact with the 10 co-ordinators through fixed regular meetings at the working level called to convene by the SEME every 15 days and higher-level encounters of an internal steering group with the participation of the minister of state every 3 months. Through SEPEC, the Ministry of Economy was represented in all co-ordination meetings. While this flexible approach helped to avoid having formal co-ordination

mechanisms for the sake of formality, formal co-ordination arrangements can also help ensure accountability. The SEME and SEPEC took two approaches to ensure accountability. First, the SEME set up a project management system where all individual projects, phases and meetings were registered. Minutes of all meetings were made available to all action group participants through a repository for the reach project. Second, SEPEC, which is institutionally and jointly responsible for Brazil's transformation of the business environment, closely accompanied all projects and presented issues and possible solutions where necessary.

Following action group discussions, the proposed goals and performance indicators were eventually consolidated into a Business Environment Modernization Plan (*Plano de Modernização do Ambiente de Negócios*, PMA) and memoranda of understanding (MoUs) were agreed upon with different relevant institutions at the federal level. MoUs were signed in the period from February to August 2020 and were intended to record the commitment to promoting the modernisation of the business environment, through the use of all efforts necessary by the signatories to increase Brazil's Doing Business ranking. The documents defined the shared responsibility of federal entities for the themes evaluated in the PMA, for defining goals and configuring the monitoring of actions and activities necessary for the project's success.

As a next step, goals were defined for each action group in the form of action plans to monitor the modernisation plan's implementation. As the government target was defined as a position in an international ranking that also includes constant developments in other countries, the target was difficult to attain (see Chapter 4 on monitoring and evaluation). The SEME and SEPEC thus resorted to an approach where all thematic groups had their goals defined by points – a simpler metric to plan and control. A simulation tool in the form of an Excel spreadsheet was developed that was accessible to all action group co-ordinators. Based on statistical data from the World Bank Doing Business ranking, this tool allowed the SEME team and bodies involved to carry out a prospective assessment of the necessary points in each of the ten themes to monitor the implementation and progress in the different dimensions of the reform programme.

Despite the implementation of practices and tools to foster co-ordination, participants in the action groups reported the need for additional time for consultations and discussion of the great number of different issues each group was responsible for. Since only a total of 155 days were calculated for the planning phase of the reform programme, some discussions were reported to have been cut short due to the submission of policies to Congress.

While the planning for the transformation of the business environment reform is tailored to the government's priority, it appears to be disconnected from the broader CoG management and planning system. Neither PMA nor MoUs are embedded in a broader national performance framework. This separation may point to the shortcomings of the existing planning and management tools the CoG currently has in place. Ideally, this reform programme would be managed through the CoG performance management system and be considered a cross-sectoral programme.

Recommendations

Beyond the formally defined presidency, Brazil's CoG encompasses a larger set of institutions that perform functions traditionally attributed to the CoG in OECD countries. Currently, no policy documents exist that describe a set of joint objectives and goals the centre aims to accomplish to perform a strategic role for the whole of government. Institutional fragmentation, uncertain mandates, overlaps of different entities' functions as well as limited capacity currently limit the CoG's performance as an efficient and effective manager of the whole of government with a focus on results for and with citizens, and increase the need for more effective co-ordination.

Recommendations

Create a conducive policy framework for the CoG

- Establish a CoG performance framework oriented towards results that describes a set of sectoral priorities as well as joint goals and outcomes the CoG is working to accomplish. Besides a shared vision and narrative, this policy document should present how the government seeks to accomplish the objectives and what CoG functions are needed.
  - Ensure that all CoG institutions have clearly defined responsibilities and set up ambitious, results-focused performance goals over the short and medium terms.
  - Publish an integrated overview of CoG institutions' strategic goals and objectives on line and make regular information available regarding the progress in achieving these priorities.
- Set up structured working routines and management processes inter alia, on goal definition, goal clarification and regular data-driven reviews in the CoG's constituent institutions to assess progress on the CoG's goals to ensure a focus on managing for results.
- Actively communicate on the CoG's structure, responsibilities, mechanisms and activities across the government to raise awareness of the role of the CoG in designing and delivering on government priorities.

Improve performance and co-ordination within the CoG

- Conduct functional reviews of the CoG's different constituent bodies to further review the functions, responsibilities and activities that each CoG unit should carry out and determine which units need to be reformed, merged, created or dissolved.
  - Update Law No. 13.844/2019 to modify the competencies of the different constituent entities of the CoG in legislation to reflect the outcome of the functional review of the CoG's constituent bodies.
  - Avoid overlaps in the work of the General Secretariat (SG) and the Ministry of Economy for state modernisation and ensure close co-operation to avoid conflicts and duplication of work.
- Prevent overlaps in the implementation of priority programmes and projects by the Undersecretariat for Analysis and Assessment of Government Policies (SAG) and the Undersecretariat for Articulation and Monitoring (SAM) through close co-ordination and even greater levels of integration between the various units.
  - Anchor the responsibility for co-ordination of the implementation of priority programmes within a single institutional entity in the presidency and communicate this decision widely across government.
  - Ensure co-ordination with the SERG, the Secretariat of Government (SEGOV), the SG Department of Legal Affairs (SAJ), the Ministry of Economy and the Office of the Comptroller General.
- Provide SAG with the authority to return items to line ministries if items do not meet specific criteria to guarantee the merit of all legal proposals and government programmes and projects and ensure that policies are affordable, fit public sector resource planning and aligned with government priorities.
- Verify if the promotion of SEGOV's role as primary interlocutor with the legislature could help to avoid a multiplicity of different government positions, considering the most suitable functions for Casa Civil, the SG and the Ministry of Economy.

     o   Ensure SEGOV's recognition as the main contact point in the CoG for the co-ordination with subnational governments to ensure that the government speaks with a single voice.

- Establish a single point of contact for line ministries' engagement with different CoG entities to land a legislative draft considered by the head of government to reduce opportunity costs of time and effort for line ministries during the legislative process.
    - Ensure that SAG and the SG increase efforts to co-ordinate among themselves and internally consolidate comments on line ministry policy proposals submitted to the government for decision.
    - Clarify for line ministries which CoG institution is the primary interlocutor for issues not related to the legislative process.
- Ensure coherent government messaging between Casa Civil, the Ministry of Foreign Affairs and the Special Secretariat for Social Communication in the newly recreated Ministry of Communications (see Chapter 5).

Strengthen the CoG's institutional capacities

- Assess the availability of adequate financial resources, personnel, expertise and technical support to all CoG institutions to increase capacity and overcome challenges related to limited human resources.
    - Reduce the frequency of staff turnover, in particular of staff in key areas to prevent losses of important knowledge of institutional processes, methods and information.
    - Enable and encourage short- and medium-term mobility assignments of staff in different CoG institutions to foster learning and exchange of information, promote co-ordination between different CoG entities and occasionally meet short-term labour demands.
    - Foster officials' skillsets for planning, co-ordination and prioritisation as important factors for improving the effectiveness of the CoG and its strategic role (see Chapters 2 and 4).

Improve horizontal co-ordination between CoG units and across the government

- Ensure regular meetings of the Government Council's sectoral chambers as fora for the definition of priorities and the co-ordination of the government's position on important policy issues to replace the council's reduced frequency of meetings.
- Convene the Inter-ministerial Governance Committee (CIG) on a more frequent basis to propose organisational measures, mechanisms and practices to comply with principles and guidelines of public governance and approve recommendations to other bodies to ensure coherence and co-ordination of specific governance programmes and policies.
    - Regularly assess the need for additional working groups to support CIG's work in other thematic areas.
    - Consider convening CIG at a more technical level in preparation for the more high-level CIG meetings.
- Facilitate the functioning and efficiency of existing permanent councils, committees and working groups by equipping them with adequate resources, personnel, expertise and technical support to co-ordinate policy making.
    - Grant them access to all relevant information and provide them with key information necessary for the fulfilment of their mandate.
- Continue to systematically assess the use and effectiveness of existing councils and committees.

- Consider reviewing Decree No. 9.759 of 2019 to ensure that all remaining councils and committees are efficient, representative and inclusive. A revision should be based on the following considerations:
  - o Undertake a mapping exercise of all existing working groups, including their composition, mandate, objectives and costs.
  - o Consult all relevant stakeholders such as council and committee members, experts, public officials and civil society representatives throughout the process.
  - o Explore the use of digital tools for council deliberations as an alternative to in-person meetings in order to reduce costs.
- Publish the list of bodies affected by Decree No. 9.759 as well as the entire register of councils and committees, including their composition, legal basis and objectives, on a single website to enhance transparency, facilitate stakeholder information and generate opportunities for collaboration.
- Continue to update the register of existing councils and committees on a monthly basis to facilitate future decisions thanks to which bodies work well, which have overlap and where bottlenecks exist.

Enhance vertical co-ordination across levels of government

- Create or strengthen institutional spaces with clear multi-level governance arrangements for the development of a common set of strategic objectives and indicators across federal, state and municipal levels of government.
  - o Establish sectoral policy committees to promote integrated policy making and the formulation of strategies between the CoG, states, federal district and municipalities.
- Make more frequent use of the possibility to invite state and municipal representatives to meetings of inter-ministerial committees to ensure co-ordination across levels of government.

Foster transition management

- Provide information to all recognised presidential candidates and their teams and parties when requested during the electoral process.
  - o Actively prepare and distribute essential information, for instance regarding the organisation of government and the respective organisation charts, institutions' budget or staff composition to candidates before the presidential election.
- Introduce guidance on policy action for policy makers of the outgoing government, after the election is held and before the formal government handover, to disincentivise and prevent burrowing in, midnight regulations or the compromising of future finance and credit.
- Ensure an appropriate balance of continuity and mobility of staff in CoG institutions to support policy and service implementation beyond a single political cycle and equip the CoG with a higher share of permanent staff that remains in charge of delivering policy between governments to foster stability and policy continuity beyond government mandates.

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2 Strategic planning and prioritisation in Brazil

This chapter analyses the Brazilian centre of government's (CoG) planning and prioritisation capacity to achieve results. It provides an assessment of the CoG's institutional arrangements and ability to translate political commitments into measurable strategic objectives and plans. The chapter will also investigate the CoG's capacity to link these objectives and plans to outcomes through prioritisation and better alignment across timeframes, sectors and levels of government. Throughout, the chapter reflects on good practices from OECD and key partner countries to support Brazil in its transition to a strategic, results-oriented CoG.

Introduction

This chapter provides an overview of how CoG policy makers in Brazil can develop stronger institutional structures, management tools and mechanisms for strategic planning and prioritisation. In the context of this review, strategic planning can broadly be defined as a "deliberative, disciplined effort to produce fundamental decisions and actions that shape and guide what an organisation (or other entity) is, what it does, and why" (Bryson, 2011[1]). To be considered strategic, planning should be anchored in the broader practice of strategic management, linking planning with implementation and outcomes (Bryson, Hamilton Edwards and Van Slyke, 2018[2]). To that effect, governments must prioritise reforms, making choices between a plethora of initiatives, which could advance their ultimate goals but cannot be pursued at once due to limited financial resources, political capital or time. The prioritisation process can thus be understood as a structured way of assessing the relative merits of reform proposals and as such requires the CoG to both ascribe explicit criteria as to what should be valued, as well as arbitrate between line ministries and institutions when deciding to add or leave something off the agenda.

Governments are elected based on an electoral programme that reflects a specific strategic vision for the future of the country (OECD, 2018[3]). In an environment characterised by the increasing complexity and cross-cutting nature of policy making, the CoG is uniquely situated to lead integrated policy responses and translate election manifestos into national plans that inform policy priorities and work programmes. As such, in the past decade, the CoG has increasingly played a strategic and forward-looking role, including by positioning itself at the forefront of whole-of-government strategic planning (OECD, 2018[3]).

Despite these predispositions, the 2017 Survey on the Organisations and Functions of the Centre of Government (2017[4]) found that strategic planning was only considered a key responsibility of the CoG in 56% of surveyed countries, with fewer than half listing it as one of the four top priorities of the CoG (OECD, 2018[3]). Moreover, the role played by the CoG in strategic planning and prioritisation is not monolithic: in most cases (68%), the CoG plays more of a co-ordination and oversight role than identifying and defining priorities (54%). In many cases (38%), this means ensuring or mandating line ministries to develop long-term plans (Figure 2.1) (OECD, 2018[3]).

Figure 2.1. Role of the CoG in priority setting and strategic alignment
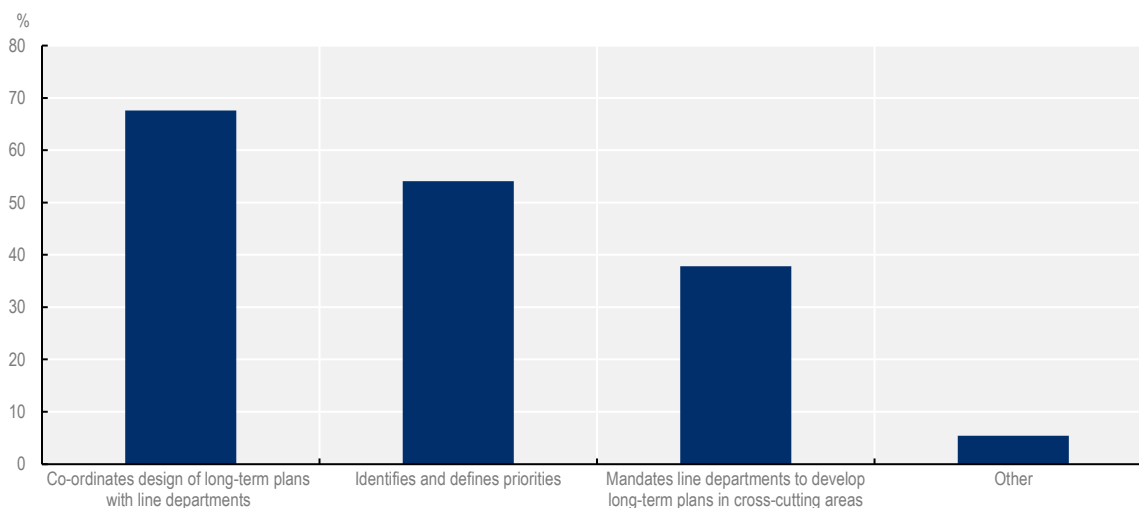
Source: OECD (2017[4]), "Survey on the organisation and functions of the centre of government", OECD, Paris.

In recent years and in particular in the context of the COVID-19 pandemic, CoGs have nevertheless expanded their responsibilities in general, and in terms of strategic planning in particular. Of the 76% of countries whose CoGs are responsible for cross-government strategic planning to support the recovery, the three responsibilities most commonly listed were as follows:

- Identifying priorities for recovery.
- Shortlisting priority policies and programmes to be implemented.
- Co-ordinating the implementation of recovery plans.

Existing research tends to show a positive and consistent relationship between planning, strategy and performance, although studies vary regarding its magnitude (Andrews et al., 2012[5]; Walker and Andrews, 2015[6]; Elbanna, Andrews and Polannen, 2016[7]). Beyond the links between planning and outcomes, strategic planning seems to provide additional benefits to public administrations, in particular improved communication, stakeholder participation and a more responsive administration (Bryson, Hamilton Edwards and Van Slyke, 2018[2]). Strategic planning also allows for prioritising and sequencing decisions and their implementation, as well as for evaluating the performance of the plan against projected results. Without a clear framework for prioritisation, governments might only succeed in achieving a few minor goals, or one major goal at the expense of others and as such will not achieve their overarching strategic plan or electoral manifesto.

Despite some clear strengths, Brazil's CoG faces a number of challenges relating to the fragmentation[1] of its current planning systems. The Brazilian politico-institutional environment presents a number of particularities, such as coalition presidentialism, federalism and participatory mechanisms for policy making, which tend to create a risk of fragmentation (Cavalcante and Gomide, 2016[8]). The CoG in Brazil (defined in Chapter 1) is thus faced with structural challenges when planning a vision for the country, selecting priorities and linking them to implementation and performance. Brazil's planning architecture is currently somewhat fragmented at the institutional level (see also Chapter 1): the responsibility for identifying problems, selecting priorities, developing plans and monitoring their implementation is scattered across six bodies, which themselves often have multiple units involved. This fragmentation is reflected in the plans themselves, as the alignment between whole-of-government plans and sectoral and state-level plans could be improved. Ultimately, the current institutional arrangements, mechanisms and tools for planning appear to a large extent to be oriented toward inputs and processes rather than outcomes and results. Selecting fewer and clearer priorities, shared by the government and supported by a performance management framework, purposeful stakeholder engagement and better links with the budgetary system, could go a long way in helping to link plans and objectives with outcomes. Lastly, improving the governance of evidence during the planning and prioritisation process, especially during the problem analysis phase, has the potential to foster more successful implementation of government interventions and reduce the risk of inadvertently generating ineffective or harmful policies (OECD, 2020[9]).

This chapter will focus on the government's planning capacity to reflect citizens' and governmental priorities. In particular, this chapter will assess the CoG's institutional arrangements (see also Chapter 1) and ability to translate political commitments into measurable strategic objectives and plans. The chapter will also investigate the CoG's capacity to link these objectives and plans to outcomes through prioritisation, problem identification and stakeholder engagement. Lastly, this chapter will explore how Brazil can ensure alignment between long-term and medium-term plans, sectoral and whole-of-government mechanisms, and balance state autonomy with the need to translate strategic decisions at the territorial level.

Toward a sound and future-forward institutional system for planning in Brazil

In Brazil, planning is a well-anchored practice, resulting in the establishment of dedicated institutional structures and highly trained and skilled staff at the CoG. In addition, various CoG units and institutions are legally mandated to perform key strategic planning functions. However, CoG institutions in the country have undergone very frequent restructuring in the past decades, which over time has led to a degree of fragmentation and overlap in mandates and activities. This fragmentation compounded by comparatively low levels of institutional collaboration (see Chapter 1) hinders the government's ability to identify clear policy priorities, address multidimensional challenges and achieve its strategic objectives. The Brazilian government has more recently started to include strategic foresight practices and future-forward thinking within its planning mechanisms. However, more steps are needed to embed this approach throughout the government for a future-forward planning system in Brazil.

Since the early 2000s, institutional capacity for strategic affairs has grown substantially in Brazil. Success in economic stabilisation and the fundamentals of the Brazilian economy provided the state with more leeway in participating directly and investing in development (IPEA, 2015[10]). Since then, government planning has intensified with the implementation of Pluriannual Plans (*Plano Pluriannual*, PPAs), the creation of planning departments within the CoG (for instance the Special Secretariat for Strategic Affairs of the Presidency) and the establishment of sectoral planning bodies (the Energy Research Company EPE in 2004 and the Planning and Logistics Company EPL in 2012) (Leite Lima et al., 2020[11]; IPEA, 2015[10]). This strategic policy infrastructure is supported by the National School of Public Administration (*Escola Nacional de Administraçao*, ENAP), the Institute of Applied Economic Research (*Instituto de Pesquisa Econômica Aplicada*, IPEA) and the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*, IBGE) that act as knowledge producers.

The Brazilian CoG has benefitted from the creation of dedicated career paths associated with planning. In 1986, ENAP was created, to provide training for senior officials and civil servants in strategic roles. In line with the ideological emphasis of the time period, two career paths were created during this era: planning budget analysts (*Analista de Planejamento e Orçamento*, APO) and public policy and government management specialists (*Especialista em Políticas Públicas e Gestão Governamental*, EPPGG) (IPEA, 2015[10]). As analysed in the OECD *Public Service Leadership and Capability Review of Brazil* (OECD, forthcoming[12]), careers are often designed according to the needs of the specific sector or entity for which they are developed. The inclusion of more strategic, cross-cutting skills within the career is less common. The creation of the EPPGG career was in fact inspired by the experience of the French government's National School of Administration (*École Nationale d'Administration*, ENA) and its career of civil administrator. During their careers, EPPGGs have the opportunity to attend several training and improvement courses at different institutions, including ENAP. The courses cover different skills, including those related to medium- and long-term planning, teamwork and critical thinking. In 2019, ENAP was merged with the Brazilian school of Finance Administration (*Escola de Administração Fazendária*, ESAF), thus expanding the number of career paths offered by ENAP.

Mandate overlaps and gaps hinder the ability of the CoG to fulfil its strategic planning function

The strategic planning function within the Brazilian CoG is characterised by very frequent institutional reconfigurations which have contributed to the fragmentation of responsibilities. CoGs throughout the world undergo frequent institutional reforms, mergers, divisions, etc. which in itself is not unique to Brazil. Between 2012 and 2017, 70% of surveyed countries experience a change in the number and 64% in the type of units within the CoG. The rate of these changes to the institutional structure, both in the number and types of units, is nevertheless quite high in Brazil. For instance, since the early 2000s, the General Secretariat (SG) was reconfigured over ten times, including its dissolution in 2016 and recreation in 2017. Based on recent decades, these institutional reforms occur for two main reasons. The first and most

common reason is to curb spending, as demonstrated by the recent merger of the Ministry of Finance and Planning into one super ministry (Agencia Brasil, 2018[13]). A second reason is to bring certain portfolio items under a more direct presidential purview. On 14 February 2020 for example, President Bolsonaro issued a decree in which he placed the Special Secretariat for Strategic Affairs (SAE) directly under the control of the president of the republic and expanded its responsibilities (Guilherme, 2020[14]). Because of these various factors, the institutional arrangements for strategic planning are not necessarily designed for efficiency and thus gaps, overlaps and duplications in terms of mandate can easily occur.

The institutional architecture for planning at the CoG in Brazil comprises a multitude of bodies which are all legally mandated to partake in strategic planning processes to varying degrees. Better specifying the mandates of planning institutions would serve to clarify responsibilities and hierarchies across the government to avoid overlap or gaps and bolster continuity and stability in government action (Duwe et al., 2017[15]). Their mandates as they relate to planning can be described as follows (a broader description of all CoG bodies and their mandates can be found in Chapter 1):

- The **Special Secretariat for Strategic Affairs** (*Secretaria Especial de Assuntos Estratégicos*, SAE) is meant to: produce input on strategic matters to contribute to decision-making processes; plan and formulate long-term national policies and strategies; produce input for the formulation of national strategic planning and strategic actions of the state; propose strategies for policy formulation; articulate long-term national policies and strategies with public and private bodies and entities; co-ordinate and supervise projects and programmes necessary for the preparation of strategic state actions. The SAE is currently enhancing its capacities to fulfil this mandate and working on two high-level initiatives: formulating the National Strategic Agenda, a set of strategic principles and guidelines aimed to support the government agencies and line ministries' strategic plans; and the long-term national strategic plan.

- The **Civil Cabinet of the Presidency of the Republic** (*Casa Civil da Presidência da República*, Casa Civil): With regards to planning, the office of Casa Civil is broadly responsible for the formulation of the strategic agenda, co-ordination and articulation of government priorities, and monitoring and evaluation of priorities.[2] Units of particular importance to the planning system and some of their core tasks are:

  o The Undersecretariat for Analysis and Assessment of Government Policies (*Subchefia de Análise Governmental*, SAG) which is responsible for the analysis on merit of government proposals and leading the Federal Development Strategy 2020-2031 (*Estratégia Federal de Desenvolvimento 2020-2031*, EFD 2020-2031) formulation process alongside the Ministry of Economy.

  o The Undersecretariat for Articulation and Monitoring (*Subchefia de Articulação e Moitoramento*, SAM) is responsible for monitoring the priority objectives and goals defined by the president of the republic and providing input for the formulation of the government agenda and advice on the management of crises.

  o The Special Secretariat for Government Relations (*Secretaria Especial de Relações Governmentais*, SERG) is responsible, among other things for: co-ordinating other bodies to support the decision-making process of Casa Civil within the Budget Execution Board (JEO); articulating and monitoring SAM projects considered a priority by the president; proposing and submitting to the minister of state priority public policies of a transversal nature that require specific monitoring; providing technical support to the minister of state for the Inter-ministerial Governance Committee.

- The **General Secretariat of the Presidency of the Republic** (*Secretaria Geral da Presidência da República*, SG): The SG of the Presidency of the Republic is primarily responsible for formulating and defining the government's strategy with regard to state modernisation, securing political support for said strategy and leading its implementation.

- The **Secretariat of Government** (*Secretaria de Governo*, SEGOV): SEGOV, through the Special Secretariat for Social Articulation (*Secretaria Especial de Articulação Social*, SEAS) in conjunction with the Federal Administration Secretariat, is responsible for leading the 2030 Agenda for Sustainable Development in Brazil.

- The **Office of Comptroller General** (*Controladoria-Geral da União*, CGU): The CGU's technical units are responsible for monitoring the implementation of recommendations that come from evaluations led by the Public Policy Monitoring and Evaluation Council (CMAP) and managing its electronic monitoring system, according to CMAP Resolution No. 2 of 2020.

- The **Ministry of Economy** (*Ministerio da Economia*) encompasses competencies relevant to planning, in particular (Article 1, Decree 9.679 of 2019): the formulation of national strategic planning and elaboration of input for the formulation of long-term public policies aimed at national development; the evaluation of the socio-economic impacts of the federal government's policies and programmes and elaboration of special studies for the reformulation of policies (as described in Chapter 4); the preparation of studies and research to monitor the socio-economic situation and management of national cartographic and statistical systems preparation, monitoring and evaluation of the PPA; co-ordinating and managing the federal planning and budgeting systems.

  - Some units within the Ministry of Economy play a particularly important role in strategic planning, most notably: the Secretariat for Evaluation, Planning, Energy and Lottery (*Secretaria de Avaliação, Planejamento, Energia e Loteria*, SECAP/ME); the Undersecretariat for Governmental Planning (*Subsecretaria de Planejamento Governamenta*, SEPLA/ME); the Secretariat of Management (*Secretaria de Gestão*, SEGES/ME); the Special Secretariat for Debureaucratization, Management and Digital Government of the Ministry of Economy (*Secretaria Especial de Desburocratização, Gestão e Governo Digital*, SEDGG/ME).

A number of inter-ministerial bodies are also involved in the planning and prioritisation process in Brazil. Most notably, the **Inter-ministerial Governance Committee** (*Comite Interministerial de Governança*, CIG) is the collegiate body responsible for advising the president of the republic on the governance policy of the federal public administration. It is composed of the Minister of Casa Civil (who co-ordinates it), the Minister of Economy and the Minister of CGU, and plays a key role in the design of the PPA. Through Resolution No. 1 of 24 July 2019, the committee put in place "governance measures" for PPA 2020-2023 multi-year investments and for the project of Union Budget Law (LOA) of 2020.[3] The committee also actively defined the 19 guidelines and the 30 priority projects for investments within the PPA. The results of monitoring the 30 priority projects of the PPA are also periodically presented to CIG. The committee's recommendations also served to finalise and formalise the EFD 2020-2031.

In addition, three public institutions provide substantial support to the planning process:

- The **Institute of Applied Economic Research** (*Instituto de Pesquisa Econômica Aplicada*, IPEA) was involved in the social consultations for the PPA and provided the technical work for the design of the EFD.

- The **National School of Public Administration** (*Escola Nacional de Administração*, ENAP): ENAP has historically performed a relevant role in the formulation of PPA – the budgetary pluriannual plan, which provides broader guidelines for the federal budget process. As of 2019, the preparation of the 2020-2023 Pluriannual Plan was conducted through more than 1 000 hours of workshops, encompassing the 53 different PPA programmes. ENAP has also provided strategic planning, strategic alignment and governance design services for the CoG, particularly for Casa Civil, the SG and the Ministry of Economy.[4]

- The **Brazilian Institute of Geography and Statistics** (*Instituto Brasileiro de Geografia e Estatica*, IBGE), under the tutelage of the Ministry of Economy, is the main provider of statistical and geographic information to a variety of bodies at the state and municipal levels, as well as civil

society. The data and information provided by the institute is a trusted source of evidence used throughout the planning process.

The multiplication of planning bodies and inherent institutional fragmentation has created a situation in which the mandates of these institutions overlap in some areas. For instance, the SAE was tasked with planning and formulating long-term national policies and strategies. However, the Ministry of Economy is also legally responsible for the elaboration of input for the formulation of long-term public policies aimed at national development and the existing long-term strategy was produced by Casa Civil, the Ministry of Economy and IPEA. This ambiguity was reflected in the discussions held with stakeholders throughout this process: participants highlighted the lack of clarity regarding which body was leading the definition and monitoring of policy priorities. While some actors underscored the role played by SAM in Casa Civil, others mentioned SAG or the newly created Delivery Unit within the Ministry of Economy.

In addition, as was highlighted in Chapter 1 on co-ordination, this fragmentation is compounded by low levels of institutional collaboration, which exacerbate some of the inherent weaknesses of the planning system. Low levels of co-ordination limit the government's ability to identify clear policy priorities, address multidimensional challenges and achieve its strategic objectives. The nature of strategic planning requires the involvement of multiple stakeholders and therefore calls for a strong performance framework that clarifies the roles and functions of all actors and creates sustainable co-ordination mechanisms between them.

This overview of the institutions mandated to perform various functions in the planning process reflects the complexity of the Brazilian CoG but also the lack of clarity on priorities and government planning for their implementation. In particular, it is unclear who "owns" the planning process between the Ministry of Economy and the central CoG institutions at the presidency, notably Casa Civil and the SAE. The Inter-ministerial Governance Committee (CIG) makes this link between the Ministry of Economy and Casa Civil, however, the identification and monitoring of priorities remain ambiguous. Moreover, as the SAE is positioning itself as the primary highest-level and long-term planning body, additional clarification and co-ordination pathways are warranted. The issue at hand is to create an articulated relationship within the ecosystem that supports the definition of policy priorities and the system that ensures its implementation.

The fragmentation of the system risks creating and sustaining negative externalities such as: too many plans for effective implementation; lack of awareness surrounding the plans at the operational level; risk of contradictory objectives in the planning instruments generated; conflicting time horizons; limited resource assignment for implementation; and finally, limited accountability to citizens for delivering planning result. As such, Brazil's CoG would benefit from rationalising, streamlining and simplifying its strategic planning architecture (see also Chapter 1).

Strategic foresight practices are not yet embedded in Brazil's strategic planning system

The Brazilian government has started to build up strategic foresight capacity and "futures" thinking to feed into its planning system but could be taking further steps to embed this approach throughout the government for a more resilient, flexible and adaptable government. Strategic foresight is "a structured and systematic way of using ideas about the future to anticipate and better prepare for change" (OECD, 2019[16]). It is an organisation's ability to constantly perceive, make sense of, and act upon different ideas of the future emerging in the present (OECD-OPSI, 2021[17]). Strategic foresight is nevertheless distinct from risk assessment, which concentrates on listing individual potential events and considers them in isolation, attempting to quantify their probability and impact (OECD-OPSI, 2021[17]). The following section will thus focus on strategic foresight capacities and practices, rather than risk assessment or intelligence gathering activities.

Governments worldwide are using strategic foresight to get early warnings of oncoming disruptions, to build resilience and future-proof their plans, to reframe and enhance the effectiveness of their strategies, and to generate shared language and visions of success (OECD-OPSI, 2021[17]). Governments and international organisations around the world have brought scanning and foresight into policy making in different ways, ranging from ad hoc exercises within particular government departments to broader institutionalised efforts to strengthen foresight across the public service and inform policy dialogue at the political level. Some prominent examples include the Centre for Strategic Futures at the Prime Minister's Office in Singapore, the Foresight Centre of the Finnish Parliament, Policy Horizons Canada, the United States (US) National Intelligence Council, and the European Political Strategy Centre, among many others. Although foresight can enhance and support the development of strategic plans, it is distinct from the planning process and does not intend to replace it. Instead, strategic foresight aims to pose key questions that might have gone unasked in developing a strategy and to reveal and challenge assumptions and expectations built into current policies and plans. The methodologies used in strategic foresight are diverse, they aim to provide insights for developing future-ready policies in various ways (Box 2.1).

Box 2.1. Strategic foresight methods

Strategic foresight practice makes use of a broad range of methodologies that always need to be tailored to the specific context. These can be grouped under four main categories:

- **Horizon scanning**: Seeking and researching signals of change in the present and their potential future impacts. Horizon scanning is the foundation of any strategic foresight process. It can involve desk research, expert surveys and a review of existing "futures" literature.

- **Megatrends analysis**: Exploring and reviewing large-scale changes building in the present at the intersection of multiple policy domains, with complex and multidimensional impacts in the future.

- **Scenario planning**: Developing multiple stories or images of how the future could look in order to explore and learn from them in terms of implications for the present.

- **Visioning and back casting**: Developing an image of an ideal (or undesirable) future state, and working backwards to identify what steps to take (or avoid).

Source: OECD (2019[16]), "Strategic Foresight for Better Policies - Building Effective Governance in the Face of Uncertain Futures https://www.oecd.org/strategic-foresight/ourwork/Strategic%20Foresight%20for%20Better%20Policies.pdf.

The Brazilian CoG has attempted to integrate strategic foresight into the planning and decision-making process. In particular, alternative scenarios are a key component of the Federal Development Strategy for Brazil for the period 2020 to 2031 (*Estratégia Federal de Desenvolvimento 2020-2031*, EFD 2020-2031). The EFD 2020-2031 presents three possible scenarios for the evolution of the Brazilian economy in the period up to 2031, with 2020 as the base year (Ministério da Economia, 2020[18]):

- The reference scenario presupposes macroeconomic stability with reforms that would make the long-term fiscal balance feasible, allowing the resumption of a sustained growth path.

- The transformative scenario, on the other hand, considers a broader set of reforms that would boost the general productivity of the economy and the investment rate, especially in infrastructure; in addition to the more intense advance of schooling and, therefore, gains in terms of human capital and the participation rate of the working-age population.

- Finally, a scenario of fiscal imbalance, not quantifiable, whose dramatic consequences converged to the risk of insolvency of the state.

However, these scenarios would not be considered traditional strategic foresight "scenarios". Indeed, the scenarios developed as part of the EFD explore various alternative actions the government could take and the related (assumed) outcomes. Foresight scenarios, on the other hand, do not aim to work with alternative strategies but rather alternative contexts – meaning things that happen outside of the control of an organisation (e.g. a global pandemic, financial crisis, breakthroughs in technology, etc.). The objective of the exercise is thus to identify where an organisation does have the ability to act/prepare/ anticipate/change course, in order to navigate at best these external contexts.

Other government bodies have also made use of strategic foresight methods, although the practice remains fragmented and is not yet embedded in the planning process. The Special Advisory Board for Strategic Management (*Assessoria Especial de Gestão Estratégica*, AEG) of the Ministry of Foreign Affairs is responsible for producing articles, speeches, as well as analysing scenarios related to international trends, in order to identify new issues, define priorities and suggest action plans, involving foresight techniques in a non-structured manner. These documents are not systematically shared with the CoG or line ministries. The Special Secretariat for Strategic Affairs (SAE) indicated it used alternative long-term scenarios and road mapping as a tool for strategic foresight, stemming from partnership consultations in academia and other government agencies. In particular, the institution is currently working on an internal project with IPEA and the University of Denver (US) specifically aimed at formulating base and prospective scenarios and using them as planning tools. Lastly, the Institutional Security Cabinet (*Gabinete de Segurança Institucional*, GSI) develops thematic studies and generates georeferenced images for alternative scenarios.

Second, the government of Brazil indicated that limited capacity for embedding strategic foresight practices systematically across the government constitutes one of the main obstacles for Brazil's CoG, in particular with regard to systems integration, financial resources and limited awareness. Ideally, foresight capacity should be mainstreamed across the organisation, not only concentrated in foresight units, in an effort to promote resilience and overcome potential budget limitations. This requires very specific training or guidance for officials, including the theory of multiple futures and methodologies such as horizon scanning and scenario planning. The United Kingdom (UK) Government Office for Science, for instance, developed a Futures Toolkit disseminated across the government to ensure government policies and decisions could be informed by strategic long-term thinking (UK Government, 2017[19]). To bolster government skills and embed foresight capabilities across the public sector, the CoG could develop "Introduction to foresight" courses with the support of the National School of Public Administration (ENAP). This would provide an opportunity not only to boost capacity but also to start building a network of advocates who understand the value and limits of strategic foresight. To optimise the effectiveness of these opportunities, efforts should be made to vary the focal topics of the workshop to cover a wide range of interests and engage actors throughout the public sector. To build up capacity, Brazil would need to foster the development of curricula for various stakeholders, as well as a direct connection to the policy development process.

OECD experience tends to show that having a central dedicated foresight unit to advocate for, carry out, conduct and co-ordinate foresight work across government is key to enabling effective mainstreaming and integration of foresight practices across all government departments and within central decision-making processes. These central units benefit from cross-government networks to disseminate their findings and promote a "futures"-oriented approach to strategic planning and confirm buy-in throughout the public sector. Given that several CoG units pointed to the fragmentation of public organisations as a hindrance to strategic foresight activities, the SAE could, in theory, take on this role given its existing mandate. In addition to housing strategic foresight within a dedicated unit, the CoG could envision starting a cross-government strategic foresight network to foster a community of practice where staff can share what they have seen as part of their ongoing work. As the number of advocates increases, new strategic units may be created within other departments and sectoral ministries. Box 2.2 provides a range of examples from OECD countries on possible institutional arrangements to embed strategic foresight in the planning and decision-making process.

Box 2.2. Institutional arrangements and practices to embed strategic foresight in the planning process: From centralised to embedded approaches

Singapore

The Centre for Strategic Futures is a longstanding unit delivering and co-ordinating foresight work across government and with partners. The Strategic Futures Network (SFN) brings together senior policy makers to introduce new vocabulary and build awareness of emerging ministries.

France

The prospective unit of the prime minister created an inter-departmental network for horizon scanning and foresight in 2001 called the *Réseau interministériel de veille et de prospective* (RIVP), which brought together foresight specialists from different ministries. Its aim was to ensure consistency in the foresight work of the different ministries involved. While the RIVP disappeared around 2009, thematic foresight networks took over or were created gradually: the Prosper network and the National Alliance for Environmental Research (AllEnvi) for research foresight, the PIPAME (inter-departmental unit for foresight and the anticipation of economic change) for industrial sectors foresight and the CIP (inter-departmental committee for foresight) for defence and security foresight.

New Zealand

The Public Service Act 2020 requires long-term insight briefings be produced by the chief executive of each government department every three years. The briefing, which is unclassified, is to address medium- and long-term trends, risks and opportunities. Foresight capability exists in a number of public service departments including the Ministry of Foreign Affairs and Trade and the Ministry of Defence. The Ministry of Defence is staffed mainly by civilians and co-leads long-term defence thinking with the non-public service New Zealand Defence Force.

United States (US)

Decentralised foresight capacity exists across the federal government including the Central Intelligence Agency (CIA), U.S. Air Force, U.S. Coast Guard, U.S. Forest Service, Office of Public Management, National Aeronautics and Space Administration (NASA). Many departments have developed inhouse programmes, including through partnerships with "futures" studies programmes such as those at the Universities of Hawaii and of Houston.

Source: Roëls, C. (2020[20]), "Foresight in the state public service in France: An overview", http://dx.doi.org/10.6531/JFS.202003; SOIF (2021[21]), *Features of Effective Systemic Foresight in Governments around the World*, https://www.gov.uk/government/publications/features-of-effective-systemic-foresight-in-governments-globally.

Linking planning with outcomes through more effective prioritisation practices

Governments have limited resources to address policy problems and achieve their goals; prioritisation is therefore a crucial part of the early stages of strategic planning and policy formulation (OECD, 2020[22]). It enables more realistic commitments, increases the likelihood of follow-through and overall enables administrations to develop more credible plans (OECD, 2020[22]). Inadequate prioritisation generates issues at the operational level, as decision-makers will endeavour to work on all initiatives without understanding what is most important to senior management and the head of government, often leading to incomplete work (Plant, 2009[23]). The process of strategic planning thus requires decision-makers to set an appropriate number of objectives and select rigorous criteria to define which ones should be considered

a higher priority (Nuti, Vaneira and Vola, 2017[24]). Prioritisation inherently involves trade-offs, especially balancing long-term against short-term goals and between multiple interest groups, sequencing, all in the face of incomplete and imperfect information (Andres, Biller and Dappe, 2016[25]). In practice, this often presents challenges for most administrations, depending on the unique institutional and political makeup presented by one country. The planning system in Brazil is characterised by a focus on the process, sometimes at the expense of the outcomes. In particular, the whole-of-government planning documents produced by the CoG do not clearly identify government-wide priorities or articulate an explicit rationale for the prioritisation of some measures over others. Moreover, the fragmented institutional setting for planning outlined in the previous section of this chapter has led to unclear ownership of the priorities defined in strategic plans, as well as parallel prioritisation processes. Lastly, the CoG has limited discretionary scope at its disposal to prioritise certain actions or areas from a budget standpoint due to engrained budget rigidity.

Planning documents in Brazil do not offer a coherent framework to identify and implement whole-of-government priorities

The prioritisation methodologies developed in existing strategic plans in Brazil do not offer a coherent framework to identify and implement whole-of-government priorities. More specifically, the existing framework does not function as a tool to identify priorities, provide a rationale for their selection and steer the whole of government towards these goals. Crucially, the CoG should enable the dissemination of a clear, coherent and consistent message to the public and the rest of the administration regarding high-level priorities (see also Chapters 1 and 5). This section will use the Federal Development Strategy 2020-2031 and the PPA 2020-2023 to illustrate those points and suggests potential ways to better link these planning documents with outcomes.

Federal Development Strategy 2020-2031

The Federal Development Strategy (EFD) 2020-2031 was established by Decree No. 10.531, on 26 October 2020. It replaces the National Strategy for Economic and Social Development (*Estratégia Nacional de Desenvolvimento Economic e Social*, ENDES) which also set out a long-term national vision for the same period but was never published officially (Chiavari et al., 2020[26]). The EFD's main rationale is to increase the income and quality of life of the Brazilian population with a reduction in social and regional inequalities, based on the Human Development Index (HDI) of the United Nations (UN), and in line with Article 3 of the constitution (Ministério da Economia, 2020[18]). Additionally, this long-term strategy is bolstered by the use of Key National Indicators (Ministério da Economia, 2020[18]).

The federal strategy is organised around five axes: economic, institutional, infrastructure, environmental and social (Ministério da Economia, 2020[18]). The EFD is understood as a largely social and economic strategy, which eschews other core government sectors such as foreign policy, science or technology. The pillars are composed of the following elements:

- The six guidelines (*diretrizes*) represent the macro-objectives of the Brazilian state, reflecting an updated reading of the objectives outlined in Article 3 of the constitution. Each of the five axes is associated with one guideline, with one overarching guideline valid for all axes (Ministério da Economia, 2020[18]).

- The 18 challenges associated with the axes are issues to be tackled by a specific set of public policies, with a view to achieving the macro-objectives defined in the guidelines.

- Orientations (*orientaçoes*) list the strategic course of action or policies chosen by the government to address the challenges identified.

- The 36 national key indices represent the impact metrics for the diagnosis and international comparability of the current situation and future trajectory of the country for each macro-objective.

- The 36 target goals which are the target figures for each key indices, for both the reference and transformative scenario.

Although the EFD 2020-2031 is organised in a cross-cutting structure, the methodology used to prioritise the challenges contained in each guideline is not explicit. In April 2019, the Secretariat of Management (SEGES), the secretariat responsible for this strategy, asked IPEA to propose objectives related to each of the key areas and support discussions and validation with the line ministries linked to the themes (Ministério da Economia, 2020[18]). From May 2019, internal meetings were held at the institute, with other departments for discussion and presentation of the goals and, although priorities were settled by December 2019, the process was reopened due to the pandemic (Ministério da Economia, 2020[18]). The selection of goals took into consideration the country's existing commitments to multilateral organisations, sectoral plans and national policies prevailing in each theme in an effort to ensure medium- to long-term alignment (Ministério da Economia, 2020[18]). It is unclear whether the government's priorities are the overall axes, guidelines, key challenges identified within each axis or the more numerous "orientations" to address each challenge. The overall rationale for selecting the EFD guidelines is their impact on the country's Human Development Index (HDI), however, there is no explicit rationale articulating why those HDI areas were prioritised over others, nor does it help prioritise the large number of orientations associated with each challenge. For instance, the institutional axis contains over 50 orientations to address the identified challenges, with no indication as to the sequencing or prioritisation among those orientations.

Pluriannual Plan (PPA)

According to the constitution, the PPA is the key governmental planning instrument that defines objectives and goals for the country over a period of four years. The PPA's focus on the budgetary structure of the government nevertheless means that, at times, a strategic state objective will not be included as it is not associated with a strategic project and related budgetary expenditure. The PPA is prepared by the executive and approved by the legislature in the first year of each government term and is therefore in effect from the second year of the term until the end of the first year of the following term to promote continuity between administrations. The PPA sets the guidelines, goals and objectives of the federal government and its expenses. However, it does not draw from longer-term planning instruments such as strategic foresight or multi-year fiscal planning.

The PPA 2020-2023's structure was greatly simplified compared to its predecessors (Figure 2.2). Whereas the PPA 2016-2019 was comprised of 54 thematic programmes, 304 objectives, 542 indicators, 1 136 targets and 3 101 initiatives, the PPA 2020-2023 is broken down into 6 axes with 19 guidelines and 15 themes, 70 programmes and 70 corresponding objectives and targets, measured by 61 indicators and yielding 280 intermediate results (Ministério da Economia, 2019[27]; Governo Federal - Brasil, 2020[28]). These elements are organised along a strategic and a tactical or operational dimension.

This simplification effort is possibly linked to the development of sectoral plans for the implementation of public policies and the development of strategic planning capacities at the agency level. It has nevertheless come at a cost: the sectoral and siloed organisation of the programmes mean the plan is not designed as a tool to address cross-cutting issues. Indeed, it only contains one transversal agenda item: the transversal and multisectoral early childhood agenda, which involves actions in health, social assistance, culture, human rights, public safety and education. Programmes are associated with axes and themes but the plan does not link programmes with each other and defines how some programmes may contribute to or hinder the objective of another programme. It is therefore difficult to identify synergies and trade-offs between the programmes. Nevertheless, as programmes are associated with one of the 19 guidelines which have a transversal character, programmes from different policy areas and institutions can thus contribute to the same guideline. The sectoral organisation of the PPA 2020-2023 means that the PPA represents more of an aggregate of sectoral priorities associated with overarching themes and axes, rather than a tool for whole-of-government prioritisation and management of cross-cutting priorities.

The different layers of the PPA are not articulated through a logical framework; it is, therefore, unclear how the operational programmes contribute to government priorities. Programmes are associated with axes and themes; however, it is not necessarily clear how they contribute to them and they are not explicitly linked to the strategic guidelines. In particular, the technical manual notes that it is "not possible to establish a causal relationship between the performance of a programme and compliance with the guidelines unless an assessment is carried out on the impact of those programmes" (Ministério da Economia, 2019[27]). The CoG could therefore envision strengthening the articulation between the strategic dimension and "tactical" or operational dimension in future iterations of the PPA.

Figure 2.2 Structure of the Pluriannual Plan 2020-2023
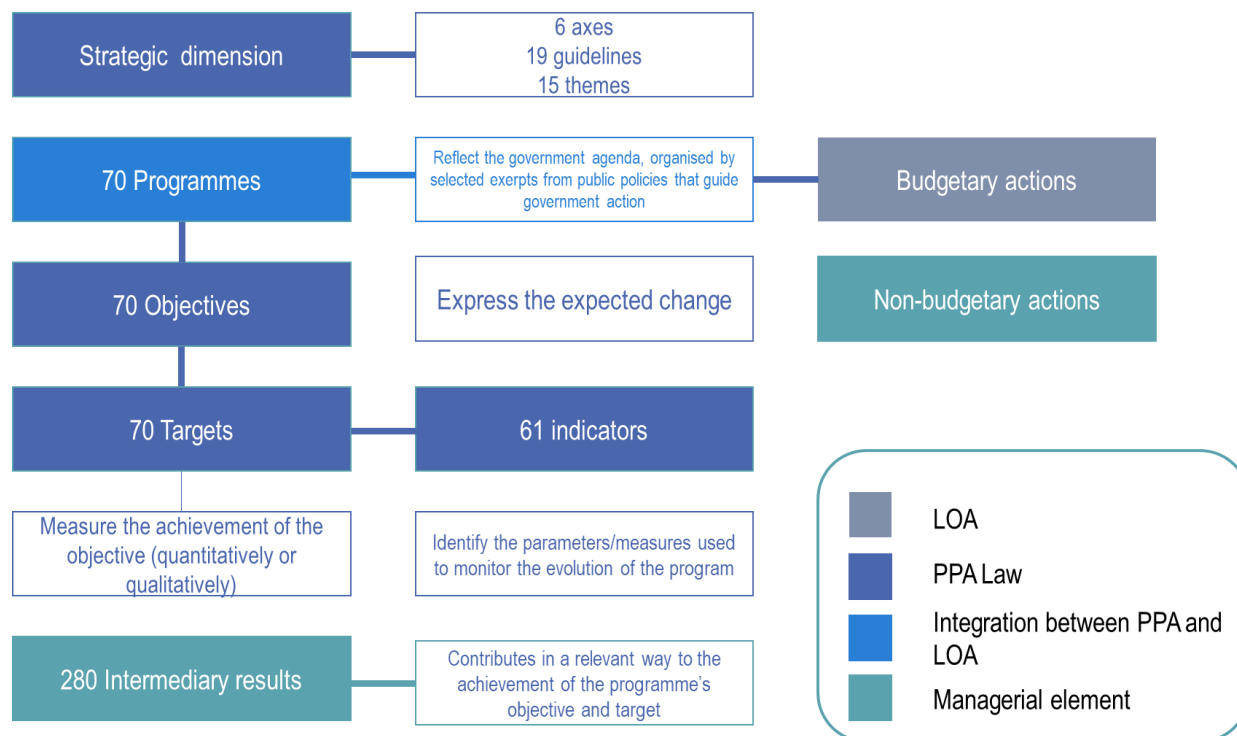
Source: Translated and adapted from Governo Federal - Brasil (2020[28]), *Painel do Planejamento Federal*, http://painelppa.planejamento.gov.br/analytics/index.html.

In practice, the PPA itself serves a limited role in clarifying the government's policy priorities, as the actual constitutionally mandated instrument with which priorities are identified is not the PPA but the budget guideline laws (*Lei de Diretrizes Orçamentárias*, LDO). The LDO includes an annex of "goals and priorities", which is a list of programmes and actions to which budgetary resources should be allocated on a preferential basis (IPEA, 2015[10]). However, the annex is not accompanied by any narrative that explains the reasons why these programmes and actions have been selected and how they are expected to contribute to broader strategic objectives of the government, be it the "macro-objectives" or specific sectoral policy goals (IPEA, 2015[10]). It is nevertheless important to note that Resolution Number 1/2019 of the Inter-ministerial Governance Committee (CIG) created a working group for infrastructure investments tasked with prioritising multi-year investments and provides broad guidelines and criteria for the inclusion of projects in the PPA 2020-2023.[5]

Prioritisation methodologies

The Brazilian CoG could strengthen the prioritisation methodologies used in its strategic documents, drawing on international experience. The OECD has published three prioritisation methodologies, which can provide some useful insight for Brazil:

- The **Going for Growth** series now covers more than 50 countries, including all OECD members. It identifies five top structural reforms for each economy, that serve to boost medium-term economic growth in an inclusive and sustainable way (OECD, 2021[29]). While the publication's original methodology focused solely on reforms likely to affect economic growth, the framework was extended to include inclusiveness in 2017 and environmental sustainability in 2019 (OECD, 2021[29]). Every indicator of economic outcomes is matched with the indicator of policies proven to address them; each of these outcome-policy pairs is then benchmarked against the OECD average. An outcome-policy pair becomes a priority candidate in a given economy when the country is identified as having poor practice on policy and poor performance on the outcome (OECD, 2021[29]). The OECD then selects five of these as top priority challenges faced by each economy. The 2021 structural reform priorities identified for Brazil were the following (OECD, 2021[30]):
  - **Social protection**: Increase the effectiveness of social benefits.
  - **Education and skills**: Enhance equity and outcomes in education and professional training.
  - **Competition and regulation**: Reduce barriers to competition and trade.
  - **Tax system**: Reduce distortions in the tax system.
  - **Environmental policy**: Preserve natural assets and halt deforestation.

- The OECD Framework for Measuring Well-Being and Progres on the other hand identifies 11 dimensions relating to: material conditions which shape people's economic options; quality-of-life factors that encompass how well people are, what they know and can do, and how healthy and safe their living situation is; and how connected and engage people are (OECD, 2020[31]). The resources that underpin these conditions and future well-being divided into four main areas: economic, natural, human and social (OECD, 2020[31]). While the key dimensions do highlight crucial areas for reform, the well-being framework does not attempt to prioritise reforms and does not consider their feasibility.

- The **SIGMA prioritisation and reprioritisation tools** for public administration reform (PAR). The SIGMA Prioritisation Tool covers all areas of PAR. As an annex to the toolkit for the preparation, implementation, monitoring, reporting and evaluation of public administration reform and sector strategies, its aim is to "structure and guide the self-assessment and identification of the core issues in each PAR area, as well as the grading of these aspects using a simple scale, and to suggest possible actions to address the identified problems or challenges" (OECD/SIGMA, 2018[32]). SIGMA subsequently developed a reprioritisation tool to supplement the existing policy analysis toolbox to help countries systematically review their PAR-related objectives and actions, in the light of the COVID-19 crisis (OECD/SIGMA, 2021[33]).

Other governments or research institutions have also developed fit-for-purpose prioritisation of reforms which could be of interest to Brazil, notably the prioritisation framework of the UK (Box 2.3).

> **Box 2.3. Prioritisation in the UK: A focus on outcomes**
>
> In 2010, the UK government wanted to signal the priorities they wished to focus on for both civil servants and the public sector frontline – as well as citizens. To this end, they created a dedicated cabinet sub-committee to identify the top priorities for the whole of government. The committee began by asking each department to put forward their priorities which resulted in siloed and numerous priorities. It came to realise that the change it wanted to effect to meet the needs of citizens would only be achieved by departments working together, not focusing just on, what they could do on their own. For example, in order to raise employment levels, it was vital that the policies and programmes of the Department of Work and Pensions were aligned with those of the Department for Innovation, Universities and Skills, the Department for Education, the Department of Business, Energy and Industrial Strategy, the Department for Communities and the Department of Health and Social Care. From the departmental priorities, the committee thus brokered a set of priorities that reflected the administration's vision for change – and at the same time changed the way in which government operated through the need for cross-departmental agreement on programmes to achieve the results desired and how progress would be measured. By working collectively and focusing on results, the government had a stronger chance to achieve something in their time in office.
>
> More recently in 2021, the UK government introduced Outcome Delivery Plans, building on and improving the previous Single Departmental Plans. These plans set out how each UK government department is working towards the delivery of its priority outcomes. Outcome Delivery Plans place a greater emphasis on joint working between departments, enabling departments to plan together to deliver shared outcomes. Outcome Delivery Plans also set out plans for delivering critical enabling activities that are crucial to the successful delivery of outcomes, including: attracting and investing in great people; embracing new ideas; and strengthening functional expertise to support the delivery of better outcomes.
>
> Additionally, Outcome Delivery Plans also set out how departments are working towards becoming more sustainable and how work contributes to the delivery of the UN Sustainable Development Goals (SDGs) and the government's equality objectives, to ensure government departments contribute to these overarching whole-of-government priorities.
>
> Source: Internal report prepared by Ray Shostak in the context of this review; UK Government (2021[34]), *Outcome Delivery Plans*, https://www.gov.uk/government/collections/outcome-delivery-plans.

Parallel prioritisation processes have emerged within the Brazilian CoG

The misalignment and fragmentation of the planning architecture outlined in the previous section of this chapter have led to unclear ownership of the priorities defined in strategic plans, as well as parallel prioritisation processes. During the fact-finding mission, stakeholders expressed that the 280 intermediary results of the PPA, derived from the 195 Institutional Strategic Plans (*Plano Estratégico Institucional*, PEIs), could be understood as separate line ministry priorities rather than those of the government as a whole. Additionally, the Undersecretariat for Articulation and Monitoring (SAM) within Casa Civil has identified 39 priorities which they monitor. Again, the priorities identified include very general themes such as "education" or "energy" and are not linked to any of the existing strategic plans. In parallel, a delivery unit within the Ministry of Economy was recently created to monitor the priorities of the ministry and ultimately those related to the pandemic. This unit monitors around 30 priorities distributed across 3 strategic pillars (Support to vulnerable citizens; Fight against the pandemic; Income and employment). Streamlining the

prioritisation process and reducing these parallel systems is crucial to ensure the CoG plays a true steering role to achieve whole-of-government objectives.

More recently, the CoG of Brazil has made strides in attempting to signal priorities through a formalised priority legislative agenda. In 2022, the process of consolidating the proposal for a priority legislative agenda of the federal government was launched. After calling for suggestions, 531 proposals were inventoried and assessed by the Undersecretariat for Analysis and Assessment of Government Policies (SAG) on the basis of the following criteria: adherence, contribution, impact and relevance of the matter to government policies and guidelines. Subsequently, the 95 best-evaluated proposals were selected and submitted for consideration. In the end, 45 proposals were prioritised to compose the priority legislative agenda of the federal government for the year 2022, Although the formalisation of the priority legislative agenda is good practice to develop for better participation and clarity across the government regarding government priorities, it is unclear how this prioritisation exercise was (if at all) used to adjust the priorities monitored by the CoG or by the Ministry of Economy.

Casa Civil and the Ministry of Economy could work with other CoG bodies, line ministries and agencies to define a limited number of results-oriented goals shared across the whole of government. A limited number of clear and compelling goals could serve as a unifying focal point of effort for the whole administration, and act as a clear communication item with the public (Box 2.4). This exercise is crucial to create a clear performance framework at the CoG, focused on a clear set of expected results rather than processes and, in doing so, it would contribute to redefining the role of the CoG as a truly strategic agent of public action (see Chapter 1 recommendation on creating a conducive policy framework for the CoG). These overarching shared priorities could address (Brown, Kohli and Mignotte, 2021[35]):

- Objectives that require cross-governmental action such as early childhood education or addressing climate change.
- Mission support functions such as improving employee engagement levels or retiring legacy information technology (IT) systems.
- Issues that fall within the responsibility of a single agency but are identified as crucial by the CoG.

Regardless of the scope of these whole-of-government priority goals, the Brazilian CoG should aim to formulate the objectives associated with them in a way that clearly states what success would look like. The suitability of objectives should be tested against the so-called SMART (specific, measurable, action-oriented, realistic, time-bound) model (Vági and Rimkute, 2018[36]). Although priority goals should be realistic, the government should be weary of defining success metrics which are too easy to control or achieve and could thus fail to translate into meaningful impact for citizens.

Box 2.4. A targeted number of priorities in Finland's strategic government programme

Finland's strategic planning has been marked by a political tradition of coalition governments and a siloed public administration. As the number of parties involved in coalitions grew, attempts to capture all of their objectives in government programmes proved to be difficult and led to the creation of vast unwieldy documents with hundreds of goals. By 2011 for instance, the government was attempting to track approximately 900 line items.

In 2015, the government of Finland attempted to deviate from this trend, moving beyond siloed priorities with its new strategic government programme Finland Vision 2025. This system was built around 26 strategic objectives in 5 policy areas, complemented by a set of structural reforms. The government allocated EUR 1 billion to ensure the effective implementation of those key projects. Representatives of the Government Strategy Secretariat, set up in the Prime Minister's Office in 2015, participated in the work of the five groups of ministers dealing with these priority areas. The strategic government

programme was accompanied by an annual implementation plan. Government strategy sessions were held fortnightly – 4-hour evening sessions – with an agenda designed by the strategy secretariat together with the prime minister's political cabinet. The changes introduced in 2015 appear to have made a difference where it matters – in delivering on policy goals. For instance, the government realised its target of raising the employment rate from about 65% to 72%.

Building on this successful initiative, discussions on the importance of interlinkages increased in Finland. Prime Minister Sanna Marin's 2019-23 government programme was developed based on strategic objectives, which support a cross-sectoral approach and aim at addressing interlinkages in an effective manner. The programme is organised around seven strategic "themes" each managed by an inter-ministerial group composed of ministries which have a substantial link to the theme. The government is further focused on four big "priority goals": balanced finances, employment rate at 75%, carbon neutrality by 2035, and decreasing inequality. These strategic themes and priority goals are further specified with around 64 sub-goals with 70 indicators.

Source: OECD (2018[3]), *Centre Stage 2 - The Organisation and Functions of the Centre of Government in OECD Countries*, OECD, Paris; Information provided by the government of Finland; Global Government Forum (2019[37]), "The power of priorities: goal-setting in Finland and New Zealand", https://www.globalgovernmentforum.com/the-power-of-priorities-goal-setting-in-finland-and-new-zealand/.

This set of limited priority goals driven by the CoG should be supported by performance management structures and routines to drive their implementation (see Chapter 1 for a more in-depth discussion on performance management). OECD countries have commonly deployed routine meetings to review progress on priority goals. For instance, the Government Strategy Secretariat of Finland holds fortnightly government strategy sessions to track progress towards government strategic priorities (Box 2.4). Likewise, in the US, Cross-Agency Priority Goals are accompanied by monthly or quarterly data-driven review meetings with agency leaders (Brown, Kohli and Mignotte, 2021[35]). Many countries have also opted to set up a single dedicated structure within the CoG tasked with driving the implementation of these overarching priorities, either in the form of a classic "delivery unit" or by ascribing that responsibility to an existing secretariat as is the case in Finland. Nevertheless, delivery units have their limits: without the appropriate political support a clearly defined mission and an effective mechanism for adjusting expectations, these units can produce mixed results (Gold, 2017[38]).

Budget rigidity limits the CoG's discretionary scope to link whole-of-government priorities with resources

While specific policy areas, programmes and reforms are highlighted in various strategic documents, they do not necessarily appear prioritised from a budget standpoint or truly orient government actions (see Chapter 3). Indeed, during the fact-finding missions, stakeholders indicated that only around 6% of the budget could be allocated to "new programmes from the presidential campaign". Indeed, approximately 94% of the budget is determined by the allocations that are set in legislation, with only 6% of the incremental expenditure available to the government's priorities. With such a small proportion of available funds for allocation in a federal budget, the competition for funding is high and should be complemented by well-developed capacities in prioritisation, however as outlined in the previous section, this is not yet the case in Brazil. There is scope for the Ministry of Economy, in conjunction with Casa Civil, to strengthen the assessment and prioritisation of current expenditure to support the selection of budget initiatives in the context of scarce resources.

In particular, and as outlined in more detail in Chapter 3, creating a spending review framework in Brazil could help to align expenditure to government priorities. The introduction of a requirement for periodic spending reviews could help address the issue of prioritising expenditures, including the mandatory (or legislated) ones.

Embedding the use of evidence and stakeholder engagement in prioritisation, planning and decision-making practices

Brazil could improve the effectiveness of its prioritisation and strategic planning apparatus by building a more robust and transparent framework for the identification of problems through better use of evidence and stakeholder engagement. Decision-makers' ability to decide when and how to regulate to achieve public goals also requires suitable regulatory impact assessment, which themselves rely on sound bases, skills to analyse and evaluate data, and appropriate stakeholder engagement. Gains in those areas of public governance would thus improve the quality of prioritisation, strategic planning and decision-making practices in Brazil as a whole.

Problem identification suffers from sequencing issues and could benefit from harmonised standards for the use of evidence

Problem identification, sometimes referred to as the diagnosis phase, is a key part of any strategy development process. It entails developing an evidence-based analysis of the current situation (major results or achievements of ongoing and previous strategies, core problems or bottlenecks and their root causes), drawing lessons from past programmes, reforms and plans (Vági and Rimkute, 2018[36]). The results of this analysis should then feed into subsequent steps of the planning process, i.e. prioritisation, objective-setting and action planning, and thus affect the overall quality and relevance of the plan as a whole. In Brazil, the prioritisation process is inadequately linked to problem identification and diagnosis activities, either due to sequencing issues or an insufficient evidence base.

The extent to which the prioritisation of themes and actions in the Federal Development Strategy (EFD) stemmed from problem analysis activities is unclear. The information contained in the plan itself does not make mention of any specific diagnosis or problem analysis carried out by the bodies involved in its elaboration (Ministério da Economia, 2020[18]).Throughout 2019 and during the first half of 2020, the Undersecretariat for Analysis and Assessment of Government Policies (SAG) and the Special Secretariat for Debureaucratization, Management and Digital Government of the Ministry of Economy (SEDGG/ME) co-ordinated efforts to design the EFD. The Institute of Applied Economic Research (IPEA) carried out the technical dimension of the strategy, in addition to a reflection on key indices and targets. Additionally, the formulation of the EFD benefitted from input received from line ministries during meetings organised and conducted by SAG and the SEDGG.

Similarly, the initial prioritisation of programme proposals during the elaboration of the Pluriannual Plan (*Plano Pluriannual*, PPA) was not informed by a diagnostic. The PPA 2020-2023 technical manual indicates that line ministries carried out the diagnosis phase *after* the pre-selection of programmes by the Undersecretariat for Governmental Planning (SEPLA/ME). This shortlist of programmes was drawn from the unit's perception regarding the main problems or challenges faced by line ministries and was presented as a starting point for the discussion. The unit nevertheless emphasised that identification and definition of the programmes were more about setting clear examples and that there was no assumption that line ministries would stick to this pre-selection. Although subsequent workshops with line ministries presented the opportunity to modify or delete programmes extensively, the initial shortlist can be seen as an *ex post* rationalisation of existing programmes.

The scope of the diagnosis was further narrowed as problem analysis questions took PPA programme proposals as their starting point, rather than challenges or past reform efforts. Line ministries and sectoral bodies were asked to carry out a diagnosis for each programme proposal by answering the following questions (Ministério da Economia, 2019[27]):

- What problem or need is the proposal aimed at solving?
- What causes the problem?

- What is the evidence of the existence of the problem in Brazilian reality?
- What are the reasons for the federal government to intervene?

To have a more comprehensive analytical overview of the current state of affairs, allowing the government to identify the main challenges and their root causes, problem analysis questions should not be limited to shortlisted programme proposals. The OECD has developed a set of indicative problem analysis questions which could provide a more comprehensive diagnosis (Box 2.5). The list is not exhaustive but could nonetheless be used as a basis for the preparation of a more extensive list of key questions.

Box 2.5. List of indicative questions for problem analysis

1. Regarding the key challenges and problems related to the implementation of previous strategies:
   - What are the key challenges and problems still not addressed or unsuccessfully addressed according to the beneficiaries of previous strategies? Have any other such challenges (or similar) arisen since the start of the implementation of previous strategies?
   - What are the issues that institutions implementing the reform measures complain about the most?
   - What are the views of the stakeholders on the implementation of the previous strategies?
2. Where are the biggest performance gaps of the previous reforms or in the functioning of the public administration as a whole or a particular sector, based on data, including any internal or external assessments and monitoring and evaluation reports?
3. Regarding the key causes of the problems and gaps according to available data (from external and internal assessments):
   - Why were objectives and performance targets not achieved?
   - Why were activities not implemented?
   - What unplanned activities were undertaken and why?
4. What are the views of the implementing institutions and key stakeholders, including beneficiaries, on the causes of the problems and gaps?
5. How significant is the problem or gap based on the available data and complaints of the implementing institutions or stakeholders, including beneficiaries?
6. How is the country performing in the various areas of public administration or a particular sector in comparison to others (similar countries, the region and international best performers)?
7. What are the systemic reasons behind the difference in performance compared to other countries?
8. What reforms or actions can be adapted from other country reforms or from good performers and what are the limitations of such adaptation?

Source: Vági, P. and E. Rimkute (2018[36]), "Toolkit for the preparation, implementation, monitoring, reporting and evaluation of public administration reform and sector strategies: Guidance for SIGMA partners", https://doi.org/10.1787/37e212e6-en.

Strengthening the use of evidence could also lead to more appropriate problem identification and better prioritisation of actions (see Chapter 4 for additional discussions on this topic). A robust diagnostic phase requires high-quality information coupled with excellent skills in data analysis and policy evaluation. In the case of Brazil, the institutional fragmentation of the planning apparatus means problem identification and diagnostic analyses are carried out by a wide range of actors (SEPLA, line ministries, SAE, IPEA, etc.).

The team leading this process must be able to master several data collection methods or reach out to external experts who do (desk research, brainstorming, focus groups, interviews, targeted questionnaires, surveys, etc. (Vági and Rimkute, 2018[36]) for different types of evidence: i) scientific evidence; ii) policy evaluation; iii) anecdotal observations; and iv) subjective opinion polls (OECD, 2020[9]).

The Brazilian CoG could develop harmonised standards for the use of evidence in planning activities/problem identification. Preparatory studies and problem analysis questions in Brazil are arranged by various institutions with different information bases and different skills for each strategic document. A common understanding of what is considered qualitative and appropriate evidence would improve the overall quality and coherence of planning documents/outputs. The OECD has recently engaged in a stocktaking exercise to develop principles and standards to mobilise evidence for policy design, implementation and evaluation. In developing and defining its own standards, Brazil could draw on this exercise and focus on the following aspects (OECD, 2020[9]):

- To be appropriate, evidence should be purposefully relevant to multiple policy considerations and to the local context, allowing for the consideration of alternatives and useful to achieving policy goals (OECD, 2020[9]). In the context of problem analysis, it should also be useful for identifying both the positive and negative effects of government intervention.

- The quality of evidence can be bolstered by establishing standards, of particular interest during the problem analysis phase of the strategic planning are the following standards of evidence:

  o **Standards concerning evidence synthesis**: Evidence syntheses are thorough literature reviews, including impact evaluations, that help keep policy makers and practitioners informed as to what works, how and what unintentional harm could emerge (OECD, 2020[9]). Good practice in terms of knowledge management would dictate that policy makers can and should appraise the quality of evidence synthesis and should strive to base policies on a full body of evidence rather than a single study (OECD, 2020[9]).

  o **Theory of change and logic underpinning an intervention**: Theory of change should help policy makers identify whether the intervention should work (OECD, 2020[9]). In essence, it is a set of interrelated assumptions explaining how and why an intervention is likely to produce the desired outcomes (OECD, 2020[9]).

  o Standards concerning the design and development of policies and programmes focus on evidence that tests the feasibility of delivering a policy in practice (OECD, 2020[9]).

Stakeholder engagement practices are insufficiently embedded within the priority-setting and planning processes

As outlined in Chapter 5 of this review, recent experiences in OECD member countries show that when the planning process is open and includes stakeholder engagement[6] and citizen-driven approaches through citizen[7] participation mechanisms, strategic planning can enhance the legitimacy of policy making and increase the sustainability of policies beyond the electoral cycle (OECD, 2020[22]). Box 2.6 outlines some successful examples from Italy, Lithuania and Northern Ireland (United Kingdom) of strategies which involved extensive public consultations and/or stakeholder engagement processes. The inclusion of diverse perspectives during the planning process can improve the quality of problem analysis and eventually the implementation of the plan (Burby, 2003[39]; Bryson, 2011[1]). Evidence also tends to show citizen engagement can provide an avenue to educate civil servants about specific issues and inform proposed solutions (Blair, 2004[40]). In a narrower sense, engagement from staff at all levels of government can benefit the link between strategic planning and outcomes, given acquired knowledge about their respective areas of the organisation (Donald, Lyons and Tribbey, 2001[41]).

In recent years, Brazil has multiplied the opportunities and occasions to engage stakeholders and civil society more broadly in the federal planning process, notably during consultations for the elaboration of

the PPA and through the organisation of "national conferences" in thematic areas. The elaboration of the PPA 2020-2023 was characterised by a greater degree of collaboration with civil society. For the first time, interaction with civil society during the elaboration process took place electronically, thereby extending the territorial reach of the consultation process. The Secretariat for Evaluation, Planning, Energy and Lottery (SECAP) of the Ministry of Economy, in partnership with the Institute of Applied Economic Research (IPEA), launched an online social consultation for the elaboration of the PPA 2020-2023 in June 2019 (SECAP/Ministério da Economia, 2019[42]). The outcome of this consultation process was around 2 100 participations, 193 proposals for programme changes and 1 815 concordances of the proposals (SECAP/Ministério da Economia, 2019[42]). It is unclear, however, how many of those proposals were included in the end product. The elaboration process however did not include collegial bodies or other representative bodies. The elaboration of the National Strategy for Economic and Social Development (ENDES), the EFD's precursor, included a public hearing and multi-stakeholder working groups. Much of the resulting material was subsequently used as a basis to create the final EFD text. While the recent digitalisation of a number of social participation initiatives point toward a commitment to engaging broadly with the Brazilian population regardless of geographic location, efforts should be made to further target the involvement of under-represented groups who are unable or unwilling to participate.

Box 2.6. Examples of strategies shaped by stakeholder engagement

The government of Italy: Triannual Development Cooperation Strategy

Italian legislation (Law No. 125/2014) for development co-operation foresees that civil society is consulted during the formulation of the Triannual Development Cooperation Strategy. For this, a permanent civil society-government platform, *Consiglio Nazionale per la Cooperazione allo Sviluppo* (CNCS), is chaired by the Deputy-Minister of Foreign Affairs and involves relevant ministries and the Parliamentary Commission for Foreign Affairs.

The government of Lithuania: National Strategy Lithuania 2030

The government of Lithuania has engaged in an in-depth process to define its national strategy Lithuania 2030. The State Progress Council, led by the CoG, was responsible for the drafting process of the strategy; government authorities, business leaders, community groups and prominent public figures participated in its development. Three working groups were set up on smart economy, smart governance and smart society. The consultation involved the national level and Lithuanians living abroad. The council also travelled to meet with mayors, municipality representatives, young people and non-governmental organisations (NGOs). Innovative approaches were developed to involve harder-to-reach groups, including youth and the elderly. The outcome is a national strategy which is guiding the policies of the whole country and whose implementation is monitored in an inclusive process.

Northern Ireland Health Strategy

The Northern Ireland Health Strategy "Investing for Health" (2002) was the outcome of a comprehensive stakeholder engagement process and a partnership among different departments, public bodies and district councils. The engagement process included consultations, a debate in the Northern Ireland Assembly, involvement of the Community Development and Health Network, and innovative approaches such as an arts project and a photo competition. The resulting strategy took a broader approach to health than originally planned, focusing on improving well-being and reducing health inequalities.

Source: OECD (2016[43]), *The Governance of Inclusive Growth*, https://doi.org/10.1787/9789264257993-en; OECD (2019[44]), *OECD Development Co-operation Peer Reviews: Italy 2019*, https://dx.doi.org/10.1787/b1874a7a-en.

At the federal level, the institutional responsibilities in relation to citizen and stakeholder participation are shared by three public institutions: the Secretariat of Government of the Presidency of the Republic (*Secretaria de Governo da Presidência da República*, SEGOV), Casa Civil and the Office of the Comptroller General (*Controladoria-Geral du União*, CGU). The Special Secretariat for Social Articulation (*Secretaria Especial de Articulação Social*) in SEGOV is in charge of overseeing the participation agenda (Law No. 13.844 from 2019) while Decree No. 9.759 from 2019 mandates Casa Civil to co-ordinate the participation of federal public institutions in the collegial bodies (councils and national conferences) and Decree No. 9.191 from 2017 states that Casa Civil is the entity responsible for approving and co-ordinating public consultations organised by federal public institutions. Nevertheless, neither SEGOV nor Casa Civil appears to have produced detailed templates or specific guidance on how to develop a stakeholder strategy, or harmonised guidelines to hold an effective public consultation.

National conferences are used to engage stakeholders in sectoral policy areas but their objectives are often unclear and they remain insufficiently linked to the sectoral and whole-of-government planning process as a whole. Since the early 2000s, Brazil has witnessed an increase in the number of national conferences, mobilising millions of citizens, organised around sectoral policy areas (IPEA, 2015[10]). The conference is a national participatory process organised periodically, to gather all relevant stakeholders to evaluate the situation and propose guidelines for policy formulation in the dedicated policy area. Conferences are multi-level processes with stages at the municipal, state and federal level and are usually framed around a specific question or policy question. The core output produced by these events is a final document containing proposals, which can range from two-digit to three-digit numbers (IPEA, 2015[10]). IPEA has identified three factors which limit the ability of these conferences to influence government agendas and priorities (IPEA, 2015[10]):

- The conference objectives are not clearly stated and articulated, generating different expectations between stakeholders and the government. This can have a reverberating effect on the preparation of proposals during the conference.

- Within the government, the lack of clear guidance regarding how to integrate conference proposals into the planning process further muddles its potential impact. The confusion is made apparent by the proportion of managers which identify these conferences as dissemination or information events rather than as means to include stakeholders in the planning process.

- Lastly, conference schedules do not necessarily align with the planning process, thus weakening the integration of proposals into sectoral or whole-of-government strategies.

Citizen participation mechanisms such as public consultations are widely used by public bodies and increasingly promoted to citizens but they do not clearly feed into the government's prioritisation process. More recently, the Secretariat of Government (SEGOV) launched a digital platform to promote citizen participation (Box 2.7), although many institutions use their own website to upload their consultations. Many of the consultations organised by Brazilian public institutions relate to the elaboration of regulations and thus have the potential to truly impact the government's prioritisation process. However, public institutions as a whole, and the CoG in particular, do not have harmonised approaches to organising consultations, do not systematically provide feedback to participants or communicate the results of the process and rarely evaluate the process.

> ### Box 2.7. Participa + Brazil
>
> The Brazilian government has created the Participa + Brasil digital platform with the purpose of promoting and qualifying the process of social participation, from the availability of modules for the dissemination of consultations and public hearings, research and the promotion of good practices. The platform allows government bodies to upload:
>
> - Public consultations.
> - Public hearings.
> - Public opinion surveys.
> - Information regarding the "collegiates" (also called inter-ministerial commissions or councils in other countries) of the federal public administration, allowing citizens to participate in specific discussions related to the purpose, composition, agendas, minutes of meetings and newsletters.
>
> Through a message to the e-mail address "participacaosocial@presidencia.gov.br", every citizen can send in suggestions for the federal government's public policies.
>
> Source: Information gathered in the context of this project.

The Brazilian CoG could put in place a number of measures to ensure stakeholder engagement is inclusive and better integrated in the planning and priority-setting process. In particular, the CoG should provide guidance to help public bodies clarify the objectives of the citizen participation and stakeholder engagement activity they carry out, which can range from information to co-creation. The CoG could also help promote and facilitate a supportive administrative culture, for instance, by providing guidance on how to design stakeholder engagement strategies at the sectoral or agency level, and toolkits on participatory practices as is the case in New Zealand and the UK (UK Government, 2021[45]; New Zealand Government, n.d.[46]). Lastly, the institutional framework for stakeholder engagement should be reinforced to build effective feedback loops, by using these initiatives to inform decisions in a timely manner, and by providing feedback to stakeholders on how their input was used.

Using regulatory impact assessments to prioritise state interventions and achieve public policy goals

Beyond planning mechanisms, regulations are an important tool for achieving social, economic and environmental priority goals. To maximise efficiency and minimise potential negative externalities, regulatory impact assessments (RIAs) provide decision-makers with crucial information on whether and how to regulate to achieve public policy objectives and defend their decision to intervene or not (OECD, 2020[47]).

The Brazilian government has recently started to put in place a more robust governance framework for RIAs. On 30 June 2020, the federal government of Brazil issued Decree No. 10.411, derived from a 2019 statute, which sets out the conditions under which RIAs must be carried out, and establishes minimum requirements for their content. Under these new directives, most regulations must now be preceded by an RIA, excluding some such as emergency measures, deregulatory acts, those of "limited significance" and others. While there are legitimate cases for exemptions from RIAs, too many can provide opportunities for the administration to use loopholes to avoid carrying out this analysis (OECD, 2020[47]).

The Secretariat for Competition and Competitiveness Advocacy (*Secretário de Advocacia da Concorrência e Competitividade*, SEAE) of the Ministry of Economy, is responsible for stating its opinion, when it

considers pertinent, on the regulatory impacts of drafts and proposals to amend normative acts of general interest to economic agents, consumers or users of services provided submitted to public consultation, including its RIAs (Article 9, Paragraph 7 of the Law on Regulatory Agencies, coupled with Article 20 of the RIA Decree; Articles 119 and 120 of Decree No. 9.745/2019). The SEAE reviews the quality of RIAs and regulations and expresses itself on these points in a non-binding manner. It also acts as the body responsible for disseminating good regulatory practices and as an active agent for administrative simplification and reducing the regulatory burden, with the publication of guides and tools (Guide to Regulatory Impact Analysis, Guide to Deregulation, CalReg [Regulatory Cost Calculator], etc.), in addition to promoting regular meetings between regulators of the federal public administration.

The OECD has developed best practice principles for RIAs which could provide Brazil with a "practical instrument to better design and implement their RIA systems and strategies" to achieve public objectives (OECD, 2020[47]). These principles are structured around five pillars:

- Commitment and buy-in for RIAs.
- Governance of RIAs – having the right setup or system design.
- Embedding RIAs through strengthening the capacity and accountability of the administration.
- Targeted and appropriate RIA methodology.
- Continuous monitoring, evaluation and improvement of RIAs.

The aim of this chapter is not to provide an in-depth assessment of the current regulatory framework in Brazil, however, a few key relevant OECD best practice principles can be highlighted in the case of Brazil, to help promote the use of evidence to achieve strategic priorities.

Article 7, Paragraph 1 of Decree No. 10.411 indicates that the choice of the specific methodology used to analyse the outcomes of a regulation must be justified and present a comparison between the suggested alternatives. In other words, regulators are free to choose the tools used to identify and analyse outcomes as long as they provide a rationale. This approach is in line with OECD best practices, as the principles highlight the fact that RIA methodology should be as simple and flexible as possible, especially when in "start-up" mode (OECD, 2020[47]). Nonetheless, the goal of the administration implementing RIA should aim to make cost-benefit analysis integral to RIAs (OECD, 2020[47]).

Additionally, while these new procedures are positive steps towards a regulatory and decision-making system based on evidence, OECD best practice principles for RIAs suggest the quality of RIAs depends on systemic identification of problems and sound data governance strategy and systems (OECD, 2020[47]). The government of Brazil must therefore continue to invest in capacity building to promote the quality of available data systems and provide sufficient guidance and training for policy makers to gain skills in terms of data collection and analysis. In that regard, improvements to the data governance infrastructures and efforts to improve analytical skills within line ministries would also benefit the planning system more broadly.

Lastly, as RIAs produced by line ministries are overseen by the Ministry of Economy, the CoG must ensure it develops mechanisms in collaboration with the ministry to ensure that RIAs being produced are considered in the prioritisation processes at the CoG.

Aligning and integrating the planning system

For implementation to be effective, planning needs to be systematic and streamlined ensuring alignment between long-term and medium-term plans, sectoral and whole-of-government mechanisms, and balance state autonomy with the need to translate strategic decisions at the territorial level (OECD, 2020[22]). The resurgence of planning in Brazil since the 2000s has not been accompanied by sufficient articulation mechanisms to ensure activities and goals feed into each other over time to improve outcomes.

However, it is absolutely crucial to note that these hierarchical, cascaded-down planning systems are dense and complex, and governments thus often struggle to transform them into real performance frameworks linking high-level prioritisation with implementation, rather than expenditure tracking/reporting tools. In other words, very well-aligned whole-of-government strategies, sectoral strategies and state-level strategies will not be useful in truly steering public administration if they do not reflect a global vision affecting all public action and aim to deploy co-ordinated resources around a limited set of priorities defined by the CoG (see more in-depth discussion on performance frameworks in Chapter 1).

Whole-of-government strategies are too numerous and lack effective integration mechanisms across timeframes

The clear and explicit articulation of strategic planning instruments allows limited government resources to be focused on a few policy priorities while clarifying how these efforts contribute more broadly to other stated ambitions. Although development and reforms are complex and evolving rather than linear processes (Rao, 2014[48]), articulating strategic objectives across different timeframes is crucial to ensure plans promote synergies, preclude counterproductive efforts and provide a coherent vision for the country. This is particularly true in Brazil which faces a variety of cross-cutting challenges in the short, medium and long terms, which include among others, managing the socio-economic recovery from the COVID-19 pandemic in the short term, addressing deep-seated inequality in the medium term, and existential threats such as climate change (Huck, 2020[49]). In Brazil, the existence of several whole-of-government strategies is a complication of the planning system and reflects the overwhelming focus of the CoG on the process. However, clarifying their articulation by ensuring goals feed into each other would help to ensure their effectiveness.

In this regard, the articulation between the Federal Development Strategy (EFD) and the Pluriannual Plan (PPA) 2020-2023 (and subsequent PPAs) is of interest. During the elaboration of the PPA 2020-2023, only the Preparatory Studies for the Elaboration of the National Strategy for Economic and Social Development (ENDES), which formed the basis of EFD, were available. As such the main link between the PPA and EFD are the five thematic axes of the EFD, which are mirrored in the strategic current PPA. However, as described in the section above on planning documents in Brazil, the operational level of the PPA is not linked to the strategic level through an explicit causal relationship between the performance of a programme and compliance with the guidelines. As such, the articulation between PPA programmes and the EFD is weak. The EFD in its current form nevertheless presents an important potential input in the preparation of the next pluriannual plan.

Whole-of-government planning documents operating across different time frames in Brazil could be better aligned through cascading goals which feed into each other, institutional arrangements, monitoring and evaluation systems and review cycles. As the EFD was still being elaborated during the preparation of the current PPA, there is currently no explicit articulation and coherence of these two plans. Integrating medium-term planning mechanisms like the PPA to long-term plans such as the EFD could help ensure government action is being steered in a coherent manner and that medium-term objectives truly feed into longer-term goals. Indeed, the preamble to the decree establishing the EFD states that "The review of institutional strategic plans of agencies and entities – along the lines of the EFD – that are part of the System of Organisation and Institutional Innovation of the Federal Government – Siorg, shall consider the Federal Government's Multi-Year Plan (PPA)" (Decree No. 10.531). Including and aligning indicators used in both documents in future iterations of the PPA could serve to clarify the articulation between these two instruments. The alignment and integration of planning mechanisms across different time frames in climate action provides additional insight into best practices (Box 2.8).

Box 2.8. Aligning short-term climate action with long-term climate goals: Good practices for operationalising alignment

Institutional arrangements

In many countries, the development of long-term strategies and short-term climate action is being led by different institutions or teams. The work of these groups is not always co-ordinated, potentially rendering alignment between the two documents challenging. To operationalise effective co-ordination across different institutional arrangements and leadership from the top, a good starting point may be that of ensuring that both processes are initiated and supervised by the same lead institution (e.g. a specific ministry or an agency). This is for example what was done by Costa Rica or Singapore. Moreover, for institutional arrangements to be effective, it is important that these are defined by clear roles and mandates, are guided by leadership from the top and that they ensure co-ordination at the horizontal (i.e. between different ministries) and vertical (i.e. between national and subnational stakeholders) levels. Recent OECD analysis based on selected countries' experience highlights that establishing an inter-ministerial committee may be particularly beneficial in the context of climate change,

Monitoring and evaluation (M&E) systems

In the context of nationally determined contributions (NDCs) and long-term low-emission development strategies (LT-LEDS) alignment, it could be useful for countries to establish monitoring and evaluation arrangements that are common to both NDCs and LT-LEDS. M&E systems that are common to both the LT-LEDS and NDC can also result in reduced costs and streamlined institutional structures, as they can rely on common personnel, data collection and management processes. In order to co-ordinate M&E systems for LT-LEDS and NDCs, it could be useful to identify key indicators that are common to both. In particular, the long-term perspective of LT-LEDS can identify indicators for progress with emissions targets or other short-term policy goals.

Review and revision cycles

Deep uncertainty related to long-term planning makes it challenging to identify today's clear strategies and pathways towards the mid-century. Planning for the regular review and revision of long-term strategies is key to ensuring that these documents remain strategic and relevant, and reflect the ever-changing national and international circumstances of countries, as well as the latest economic trends.

Source: Adapted from Falduto, C. and M. Rocha (2020[50]) (2020), "Aligning short-term climate action with long-term climate goals: Opportunities and options for enhancing alignment between NDCs and long-term strategies", https://doi.org/10.1787/7c980fce-en.

Additionally, some national strategies operate along the same time horizons as the EFD and Pluriannual Plan (PPA) but are less clearly defined and they are neither integrated nor articulated with them. For instance, announced in the summer of 2020, the Pro-Brazil Program constitutes an activity of the federal government to integrate and improve strategic actions for the recovery and resumption of socio-economic growth in response to the COVID-19 crisis. The government did not officially formalise this programme, but there are about 140 projects and investments that were part of the draft's portfolio and being carried out by the line ministries as strategic actions. Information received during the course of this project also suggests the Special Secretariat for Strategic Affairs (SAE) is preparing its own long-term strategy for the country, although its value-added compared to the EFD remains to be defined. Box 2.9 draws on the Polish experience to highlight how a government can streamline and rationalise the landscape of strategic planning documents in its country.

Box 2.9. Poland's stocktaking of its development strategies and programmes

The Act on Development Policy (2006) was the first step in the evolution of Poland's development management framework. This legislation not only established an institution to define and co-ordinate the country's development policy but also used a series of interconnected action plans to deliver sustained and balanced national development, as well as to ensure regional socio-economic cohesion.

This legislation – and the entire development management framework – was informed by a stocktaking exercise of Poland's development strategies and programmes between 1989 and 2006. The government determined that, over this period, the country's Council of Ministers had adopted no less than 406 national strategies (with varying scopes and degrees of implementation), of which only 120 remained relevant. Thus, in 2009, the country passed the Development Strategy Rearrangement Plan, which reduced and rearranged the number of binding strategies. All strategic initiatives developed since 2010 adhere to this new system.

Source: Adapted from OECD (2016[51]), *Public Governance Reviews: Peru Integrated Governance for Inclusive Growth*, https://doi.org/10.1787/9789264265172-en.

Sectoral priorities are well reflected in the PPA, however the CoG struggles to play the challenge function and align sectoral strategies with whole-of-government priorities

Despite formalised mechanisms to align whole-of-government planning mechanisms with sectoral plans, misalignment between sectoral and whole-of-government priorities is identified as a major challenge by the Brazilian CoG. The majority of surveyed institutions for this review identified misalignment between sectoral and whole-of-government priorities as a challenge with respect to setting and prioritising strategic objectives. The Ministry of Economy nevertheless underscores the fact that PPA programmes demonstrate alignment with sectoral planning, although those planning documents might differ in scope, time, horizon and level of detail (Ministério da Economia, 2019[27]). Indeed, as part of the effort to simplify the PPA, the Brazilian government made the choice to organise the PPA through sectoral portfolios. Additionally, the PPA's intermediary results are derived from the Institutional Strategic Plans (PEIs). Moreover, Article 2 of the decree establishing the EFD indicates that the bodies and entities of the federal administration will consider in their planning and actions the "scenarios, macroeconomic policies, guidelines, challenges, key indices and targets" set out in the plan.

More recent efforts have focused on strategic management within line ministries and sectoral departments. Normative Instruction 24/20 was recently issued by the Ministry of Economy to regulate strategic management of the public administration at the federal level, with a heavy focus on PEIs which are valid over the same time frame as the PPA. The management secretariat published a series of documents, including the *Technical Guide for Strategic Management*, the *Reference Guide for Project Management* and project portfolio, and a reference guide for construction and analysis of indicators.

It thus appears that bottom-up alignment of the PPA with sectoral priorities is well established in Brazil, but the CoG conversely seems to struggle to play the challenge function and effectively link PEIs with whole-of-government priorities. As described in the previous section, existing whole-of-government plans and strategies do not identify a clear set of overarching priorities. As such, the Ministry of Economy's guidance focuses on improving strategic management maturity and the technical quality of their PEIs but there is little guidance or oversight to align PEIs with whole-of-government priorities. Normative Instruction 24/20 states that PEIs must be reviewed yearly, approved and monitored in a systematic and continuous manner by their respective internal governance committees, provided for by Decree No. 9.203/2017. However, the CoG has limited resources to ensure updated PEIs are indeed aligned and co-ordinated with other planning

instruments. The Secretariat of Management (SEGES), within the Ministry of Economy, guides public bodies and recommends that their PEIs be prepared with and linked to other planning instruments; however, they are not mandated to look at the content of PEIs themselves or to analyse the alignment of PEIs with other planning instruments.

Beyond a better integration of sectoral and whole-of-government strategies, better alignment also requires improving the intrinsic capacity for sectoral planning in Brazil. Sectoral planning is a well-institutionalised practice in Brazil, notably through PEIs. However, the CoG could provide additional guidance and training to create more synergies between sectors and facilitate inter-ministerial collaboration on cross-cutting issues. Based on evidence collected for this project and highlighted in other studies, two dimensions are of particular importance from an OECD perspective:

- Asymmetry in the skills and resources devoted to planning across line ministries, with unequal quality in the design, implementation, monitoring and evaluation of the framework (Chiavari et al., 2020[26]).
- The planning regime does not encourage inter-ministerial collaboration and, as such, multiple overlapping agencies operating in the same sectors often develop overlapping plans. One such example is the land transport sector, which has issued five sector plans since 2008, created by various government agencies and lacking an effective interface, between them none of which has formally been revoked (Chiavari et al., 2020[26]).

The CoG in Brazil thus has a role to play in improving the harmonisation of sectoral plans and their alignment with national priorities. Some international good practices could provide some useful insight for the Brazilian CoG (Box 2.10). Nonetheless, aligning and integrating strategic plans is not going to contribute to better policy making focused on results if there are no structured performance discussions on policy priorities at the CoG.

Box 2.10. Streamlining and aligning sectoral strategies in Ireland

Ireland's Civil Service Renewal Plan 2014

- Action 4: Strengthen strategic planning and business planning processes.
  - Streamline the Statement of Strategy (*sectoral strategies*) planning cycle with the Programme for Government[8] so that planning processes are aligned.
  - Mandate the Civil Service Management Board to review and challenge each Statement of Strategy prior to finalisation to ensure that these integrate cross-cutting initiatives and link effectively to Programme for Government commitments.
  - Develop a single Statement of Strategy for the Civil Service that focuses exclusively on the strategy for delivering cross-cutting initiatives involving multiple departments, offices and agencies.
  - Establish the expectation that each Secretary-General meets annually with the relevant parliament (*Oireachtas)* committee to discuss progress in the delivery of the objectives published in each department's Statement of Strategy.
  - Initiate regular strategic horizon scans to identify long-term risks, challenges and opportunities for Ireland over the longer term (e.g. 10, 20, 30 years into the future).

Source: Republic of Ireland (2014[52]), *The Civil Service Renewal Plan - A Vision and Three Year Action Plan for the Civil Service*, https://www.gov.ie/pdf/?file=https://assets.gov.ie/4171/101218152156-e1206bb2c0964a53888531e0c96c356e.pdf#page=1 (accessed on 20 October 2021).

National and federal strategies lack implementation mechanisms at the local level

Brazil is faced with a challenge unique to federal countries: creating an administrative structure centralised enough to make national decisions, and decentralised enough to perform based on those decisions. As of yet, and despite a legal framework to this effect, Brazil has not reached this equilibrium in strategic planning. In this respect, one of the main challenges of multi-level governance that the government of Brazil itself has highlighted is its relative inability to translate national strategic decisions with state partners into concrete policies at the territorial state level. The alignment of local strategies with federal whole-of-government strategies depends to a large extent on the articulation and approval of regulations by the National Congress. This dimension, therefore, does not depend exclusively on the members of the CoG as it pertains to the autonomy of federative entities. Nevertheless, as explained below, the CoG can play a role in helping foster synergies to produce better outcomes at the local level.

The alignment of state-level and national-level planning is enshrined in Brazilian law. According to the constitution, the Pluriannual Plan (PPA) defines, on a regionalised basis, the guidelines, objectives and goals for the country over a period of four years. Additionally, Article 165, Paragraph 4 of the constitution dictates that regional plans and programmes must be formulated in accordance with the PPA and considered by Congress. In practice, stakeholders identified the misalignment of regional and national plans as a major challenge. In particular, they indicated that states and municipalities have constitutional autonomy and may or may not consider the federal government's multi-annual plan in their plans. Additionally, others pointed to the fact that the alignment was sporadic and not led by the CoG. See Box 2.11 for an example of functional alignment between state-level plans and national priorities in the Mexican state of Guanajuato.

> **Box 2.11. Alignment between different state programmes in Guanajuato (Mexico)**
>
> In Guanajuato, the State Government Programme (PG 2018-2024) is an important strategic tool guiding the executive's actions. This document also aims at aligning the state's development strategy with other national and international planning instruments, such as the National Development Plan (NDP) and the SDGs. For instance, all of the 17 SDGs correspond to one or several objectives of the PG 2018-2024. In order to facilitate co-ordination with the federal government, the PG 2018-2024's structure is also consistent with Mexico's NDP. Finally, the programme's objectives are aligned with those in the state development plan Guanajuato 2040, another major planning instrument aimed at promoting the long-term development of the state. The two planning instruments have similar strategic areas and objectives. For instance, one of the state development plan's long-term objectives is to fight poverty, while the government programme has three related midterm objectives: improve poor families' situations, increase food safety and strengthen social links. Therefore, strategic planning in Guanajuato involves both horizontal and vertical co-ordination mechanisms by aligning the timelines and objectives of the different planning instruments. Such coherence can help the state executive to ensure that spending and implementation efforts are focused on well-defined policy objectives with greater impact.
>
> Source: Adapted from Estado de Guanajuato (2019[53]), *Program de Gobierno 2018-2024 [State Government Program 2018-2024]*, https://guanajuato.gob.mx/PDGv23.pdf.

Harmonising state- and national-level planning mechanisms requires a clear and well-defined interface at the CoG, mandated to co-ordinate and interact with states. Interviews held with stakeholders during this project revealed that there did not appear to be a consensus on the role of the CoG in co-ordinating with states at the strategic level. In addition, answers to the questionnaire indicate there is a level of confusion as to which CoG unit is responsible for this task. Among others were listed: the Ministry of Economy, the

Undersecretariat for Articulation and Monitoring (SAM), the Secretariat of Government (SEGOV) and the Special Secretariat for Government Relations (SERG). This is likely to cause considerable confusion when viewed from a state perspective. The government of Brazil, like all federal governments, are reliant on its state counterparts for the actual implementation of the many policy objectives found in the PPA and EFD (Constitution Article 165, Paragraph 1). Given the importance of state governments in achieving nationwide ambitions, it is vital that these relationships work and the CoG clearly plays a role in making them efficient and effective.

The alignment and harmonisation of state-level planning with national strategies is therefore a crucial component to improving the implementation of national strategies and achievement of whole-of-government priorities. This task remains challenging in Brazil as the impetus for alignment must be balanced with principles of state autonomy.

Case study on business environment reform in Brazil

Over the past few years, business environment reform has emerged as a cross-cutting, high-level priority for the government of Brazil. The aim of this reform effort or programme is to simplify the setting up and operation of businesses and attract foreign direct investments through an improved institutional context while improving its position in international business environment rankings (in particular the World Bank Doing Business Index). In the context of this reform effort, Brazil has enacted a new Business Environment Law (No. 14.195/2021), developed numerous memoranda of understanding that set out plans to modernise the business environment and implemented various policy initiatives.

Planning and prioritisation of business environment reform in Brazil has benefitted from clear mandates with regards to steering and co-ordinating this domain, as outlined in Chapter 1. With regards to planning, this increased level of co-ordination led to clear lines of accountability and complementary objectives. Nonetheless, the Brazilian CoG could learn from this experience to further strengthen its strategic planning and prioritisation mechanisms, with the ambition of steering its national planning framework towards outcomes.

Strategic foresight approaches could help bolster efforts to improve the business environment in Brazil

Strategic foresight practices were not deployed during the elaboration and implementation of the latest business environment reforms in Brazil. The government of Brazil and the Special Secretariat for State Modernization (*Secretaria Especial de Modernização do Estado*, SEME/PR) in particular could consider developing or harnessing strategic foresight capabilities to "future-proof" their reform efforts and potentially maximise their return. Other countries are successfully deploying these tools and practices to increase their global competitiveness. For instance, in Malaysia, the Malaysian Science, Technology, Innovation and Economy (MySTIE) Framework was recently launched in 2020 (SOIF, 2021[21]). This framework utilises foresight approaches to identify global science and technology drivers that could increase the return on value of Malaysia's socio-economic drivers. The aim of this initiative is to ensure science, technology, innovation and economic development policies enhance economic growth and global competitiveness in Malaysia (SOIF, 2021[21]). Efforts to further institutionalise strategic foresight practices within Brazil's planning system, as outlined in an earlier section of this chapter, could thus benefit outcomes for this high-level priority.

Business environment reform highlights some of the weaknesses of the national planning system

The recent impulse for business environment reform in Brazil stemmed from President Bolsonaro's statement at the Davos World Economic Forum on 22 January 2019, rather than the existing whole-of-government planning system composed of the PPA, the Federal Development Strategy or its predecessor the National Strategy for Economic and Social Development. This tends to confirm the diagnostic outlined earlier in this chapter which suggests the existing whole-of-government planning system does not currently function as a tool to identify priorities, provide a rationale for their selection and steer the whole of government towards these goals. Ideally, medium- and long-term whole-of-government planning documents should function as tools for the CoG to enable the dissemination of a clear and coherent message to the administration regarding high–level priorities.

Throughout the OECD's exchanges with the SEME and Secretariat for Competition and Competitiveness Advocacy (SEAE), links between business environment reform, the PPA and the Federal Development Strategy were indeed highlighted. For instance, in the scope of the Federal Development Strategy (EFD) for Brazil for the period 2020 to 2031, established by Decree No. 10.531, the following axes, challenges and guidelines are related to improving the business environment:

- Increase the productivity of the Brazilian economy, for the expansion of efforts in education, science, technology and innovation. The guidelines recommend: "expand[ing] the incentive mechanisms for joint actions between public and private institutions, in order to generate a more symbiotic innovation ecosystem and a more entrepreneurial and dynamic business environment".
- Expand Brazil's competitiveness in order to get closer to developed economies, for the improvement of the business environment.

Likewise, the PPA has three programmes which relate the business environment: 2201 - *Brasil Moderniza* (Brazil Modernises); 2212 - *Melhoria do Ambiente de Negócios e da Produtividade* (Improvement of the Business Environment and Productivity); and 2213 - *Modernização Trabalhista e Trabalho Digno* (Labor Modernization and Decent Work). However, while the Doing Business project and business environment reform more generally clearly feed into these overarching goals and objectives, the PPA and EFD were not catalysts or guides for action, and as such are not truly used as a means to steer and orient the government towards outcomes.

In line with Chapter 1 recommendations on creating a CoG performance framework oriented towards results as well as recommendations contained within this chapter, CoG bodies, such as Casa Civil, the SAE and the Ministry of Economy, could work to define and implement a limited number of results-oriented goals shared across the whole of government. Cross-cutting, high-level priorities such as business environment reform could be embedded in this performance management framework, which would preclude contradictions and gaps with other reform efforts, identify synergies towards other high-level priorities and facilitate the delivery of results.

The planning process for the Doing Business project has rather effectively linked planning with outcomes

Measures within the Doing Business project were largely prioritised to increase Brazil's ranking in the World Bank *Doing Business* report. This focus and use of a pre-existing methodology had clear benefits: most importantly, it allowed the SEME to steer government efforts towards a clear goal without exhausting resources and capacity at the CoG. The first step taken was to identify the score needed by Brazil to achieve the 50th position in the Doing Business ranking in the 2023 report. Based on a methodology validated by the Institute of Applied Economic Research (IPEA), the government established that in order to reach the 50th position, Brazil would need to have at least 76.82 points in 2023. Based on this methodology, Brazil developed a simulation to accurately assess the country's score.

Under the co-ordination of the SEME, ten thematic action groups, organised along some of the key topics identified to increase Brazil's ranking in the World Bank report, were mandated to carry out a diagnosis and present proposals for measures and actions. This initial phase was characterised by a series of meetings with the thematic groups to not only identify what could be achieved based on best practices listed by the World Bank but also identify those most appropriate for Brazil. Each thematic group subsequently shared an initial proposal for action, in order to reach the objective of 76.82 points. The result of these working groups was consolidated in Business Environment Modernization Plans (*Planos de Modernização do Ambiente de Negócios*, PMAs, for business creation, international trade, the payment of taxes, obtaining credit, property registration, insolvency, electricity procurement, construction permits, execution of contracts, minority investor protections). From February to August 2020, these modernisation plans were directly linked to a performance framework through memoranda of understanding (MoUs) signed by lead institutions in each key area. Business environment reform in Brazil is therefore a powerful example of how to link planning with outcomes and results through a limited number of clear priorities shared by the government, intentional stakeholder engagement and support from a performance management framework.

The effectiveness of business environment reform could nevertheless be further improved upon through fine-tuning the action goals set out in the MoUs and the PMAs. Indeed, these MoUs and the PMAs annexed to them are structured around one overarching objective linked to the World Bank report, followed by associated cross-cutting and specific actions associated and their potential impact on Brazil's score for that specific indicator. This structure ensures that MoU actions or objectives are relevant as they were selected for their impact on the World Bank Doing Business report. Moreover, the collaborative process which led to the creation of these action plans and MoUs should be a good indication that the actions and goals listed are attainable. Lastly, the transversal and specific action goals listed in modernisation plans annexed to the MoUs are all time-bound. Nonetheless, the quality of the action goals listed differs substantially. In particular, not all action goals are sufficiently specific or measurable, which could hinder the implementation and monitoring of the reform.

At times, goals listed in the MoUs are insufficiently specific: for instance, one of the actions listed in the MoU on "obtaining electricity" is to "eliminate or reduce the step of requesting, waiting and accepting the budget", which would benefit from being less ambiguous. Similarly, some of the actions listed in the modernisation plan for "obtaining credit" are more akin to promises to define future objectives with, for instance, an item being to "define the items eligible to be scored in order to increase the efficiency index of legal rights by 04 points". It is also unclear why this action is associated with a potential increase of ten points in the World Bank ranking.

Lastly, the implementation and monitoring of the business environment reform would be facilitated by an effort towards more easily measurable action goals (see Chapter 4 for a more detailed discussion on this matter). For instance, one of the actions listed in the MoU on "obtaining licences and the execution of contracts" is to "implement SP Licensing Portal". This goal could easily be transformed into a set of measurable and quantifiable objectives. As it stands, it would be hard to assess the extent to which this item has been accomplished.

The Brazilian CoG could take this opportunity to develop outcome goals linked to business environment reform outside of the World Bank Doing Business ranking. Indeed, while using an international methodology has definite advantages and is quite resourceful in terms of operating under limited capacity, it has some definite drawbacks. First, and as Brazil has now experienced first-hand, should the ranking disappear, measuring and communicating on successes will be more difficult for the government. Second, by nature, the methodology used by the World Bank is aimed at cross-country comparison and could thus obscure successes or failures at the national level (see Chapter 4 for a more in-depth discussion on the matter). Thinking of outcome goals outside of the World Bank ranking could be helpful in further tailoring the reform to Brazil's needs. While improving Brazil's Doing Business score is a completely legitimate

priority, a constructive engagement with business environment reform could mediate this overarching objective and use initiatives designed to achieve it to meet other outcome goals.

Of particular note is the extensive stakeholder engagement process which underpinned the planning process of the business environment reform efforts led by the government. From the start of 2019, outreach efforts were initiated with subnational authorities, most notably the governments of São Paulo and Rio de Janeiro, as well as with the mayors of the respective capitals. These exchanges aimed to foster a consensus around shared objectives for business environment reform. At the end of February 2019, an event was held in the capitals with the presence of the Minister of SG-PR, governors and mayors, with the aim of agreeing on actions to improve the business environment. In addition to this outreach effort towards subnational authorities, the SEME also obtained buy-in and input from the government bodies responsible for the processes measured by the Doing Business report through the working groups described in previous sections. This level of engagement lead to additional measures being added which did not directly impact Brazil's ranking in the World Bank report but were nevertheless highlighted as a recurring issue by national stakeholders. Additionally, the Business Environment Law (No. 14.195/2021), resulting from Provisional Measure 1040/2021, underwent a public consultation and a virtual public hearing within the scope of the Commission for Economic Development, Industry, Trade and Services of the lower house of the national congress. The initial text was produced by the executive with the collaboration of many NGOs (especially from the industry and commerce sector). The provisional measure was then presented to Congress and the subject of public consultation. Some of the opinions submitted by citizens were then reflected by amendments to the measure proposed by members of Congress.

Business environment reform also benefitted from an effort from the CoG to harmonise and consolidate the evidence base related to this topic. For instance, the SEME successfully co-ordinated a data update with the thematic action group in view of conveying to the World Bank team information about reforms and corrections to the country's data. Although the World Bank report has been suspended for the time being, this data gathering and verification effort are crucial to ensure and improve the overall quality and coherence of planning documents and outputs.

Recommendations

Over decades of planning practice, the CoG in Brazil has developed a well-entrenched but fragmented institutional system for planning. Indeed, over time the country has acquired dedicated institutional structures, legally mandated units and highly trained and skilled staff for planning. However, the planning function has become fragmented across government, which has led to some gaps and overlaps in mandates and activities between units. This fragmentation is compounded by low levels of institutional collaboration in some areas (see Chapter 1) which hinders the government's ability to identify clear policy priorities, address multidimensional challenges and achieve its strategic objectives.

The planning system in Brazil is characterised by a focus on the process, sometimes at the expense of the outcomes. This is for instance reflected in the multiplicity of plans and mechanisms which exist across timeframes, sectors and levels of government and often lack meaningful links to promote synergies or identify contradictions between themselves. In that regard, the CoG of Brazil could eliminate superfluous documents, which only add to the complex web of documents, and develop a number of tools to ensure activities and goals outlined in different plans feed into each other over time to improve overall outcomes. Indeed, even well-aligned, cascaded-down planning systems are dense and complex, and will not be useful in truly steering public administration if they do not reflect a global vision affecting all public action around a limited set of priorities defined and driven by the CoG.

Recommendations

Build a sound and future-forward institutional system for planning in Brazil

- The CoG could take steps to bolster the quality of strategic planning across the civil service and draw on the breadth of expertise from across the administration:
  - o Invest in the development of knowledge brokers to support strategic planning, most notably through the National School of Public Administration (ENAP), the Institute of Applied Economic Research (IPEA) and the Brazilian Institute of Geography and Statistics (IBGE).
  - o Place strategic policy development skills in terms of quantitative skills, strategic foresight capabilities and evidence-informed approaches at the core of civil service strategies.
  - o Ensure training provided by ENAP includes support in terms of whole-of-government planning and cross-cutting issues and does not only reflect sectoral planning concerns.
- Brazil's CoG would benefit from rationalising, streamlining and simplifying its strategic planning architecture:
  - o As part of the functional review suggested in Chapter 1 of this review, carry out a functional review with a detailed mapping of bodies with planning functions throughout the CoG to identify mandate overlap and gaps.
  - o Adjust the responsibilities of CoG bodies following this functional review to eliminate mandate overlap and duplication, especially with regard to the identification and monitoring of whole-of-government priorities.
  - o Clarify the role of the Special Secretariat for Strategic Affairs (SAE) with regards to the Ministry of Economy and Casa Civil in terms of high-level long-term planning.
- It could further institutionalise strategic foresight practices within Brazil's planning system:
  - o Mandate an existing body as a central dedicated foresight unit to advocate for, carry out, conduct and co-ordinate foresight work across government. The SAE could, in theory, take on this role given its current mandate. These dedicated units can struggle with a set of individual, collective and institutional limitations which prevent the use of "futures" knowledge in policy making; the government should thus in parallel aim to promote a direct connection to the policy development process.
  - o Promote the creation of a community of practice around anticipatory governance and strategic foresight, for instance through the launch of a cross-government strategic foresight network to alleviate fragmentation as a hindrance to strategic foresight.
  - o Mainstream foresight capacity across the organisation through the creation of dedicated curricula for various stakeholders (foresight practitioners, decision-makers, a broader network, etc.) including training and guidance. The SAE could for instance develop "Introduction to foresight" courses for other units within the government, with the support of ENAP, and develop its own Futures Toolkit disseminated across the government.

Link planning with outcomes through more effective prioritisation practices

- In line with Chapter 1 recommendations on creating a CoG performance framework oriented towards results, the CoG bodies, such as Casa Civil, the SAE and the Ministry of Economy, could work to define and implement a limited number of results-oriented goals shared across the whole of government:
  - o These overarching shared priorities could address: objectives that require cross-governmental action, support processes (distribution of funds, recruitment, training, access

to data, etc.) or issues that fall within the responsibility of a single agency but are identified as crucial by the CoG.

- o The process to define these priorities should be collaborative and include a broad consultation process, in particular with the SAE to ensure results-oriented goals are aligned with the country's vision/long-term objectives.

- o The suitability of these objectives should be tested against the SMART (specific, measurable, action-oriented, realistic and time-bound) model; however, the CoG should be wary of defining success metrics which are too easy to control or achieve and could thus fail to translate into meaningful impact for citizens.

- o This set of limited priority goals driven by the CoG should be supported by performance management structures and routines to drive their implementation. This could include data-driven review meetings or regular strategy sessions with lead agencies to track progress on those priorities, or a dedicated structure in Casa Civil or monitoring and evaluation (M&E) tasked with driving the implementation of these priorities.

- o The parallel monitoring processes of high-level priorities developed within Casa Civil (at SAG) and M&E (in the delivery unit) should be streamlined to track and deliver this shared set of whole-of-government priorities. This should be done in line with the recommendation of Chapter 4 which suggests the CoG clearly define mandates and responsibilities for whole-of-government performance monitoring in Brazil.

- o The Brazilian CoG could help steer its national system of innovation towards this select number of government priorities by developing a mission-oriented approach to innovation policies.

The Ministry of Economy should attempt to mitigate budget rigidity to better link government priorities with resources:

- • Create a spending review framework to help align expenditures with government priorities.

- o The Ministry of Economy could also potentially introduce "reserves" or "change baskets" earmarked as additional financial resources for the implementation of government priorities. In other words, the total spending ceiling would not just be an aggregate of sectoral spending ceilings.

Embed the use evidence and stakeholder engagement in prioritisation, planning and decision-making practices

- • Strengthen and systematise problem identification within the planning process for better prioritisation and decision-making:

- o Systemise problem identification within planning and prioritisation processes at the sectoral and national levels, including for long-term strategies and for the identification of the set number of limited high-level priorities suggested in previous recommendations.

- o Develop minimum standards for the use of evidence (meaning administrative data, performance information and policy advice from evaluation, reports and reviews) in problem identification drawing on OECD principles, shared across the CoG and line ministries.

- o The problem identification phase of the Pluriannual Plan (PPA) should be carried out by line ministries led by the Undersecretariat for Governmental Planning (SEPLA) from the Ministry of Economy prior to the shortlisting of programmes, so as not to be seen as an *ex post* rationalisation exercise.

- o SEPLA from the Ministry of Economy could adjust the problem analysis questions distributed to line ministries in the elaboration of the PPA for better alignment with OECD best practices.
- o Problem identification requires excellent skills in data analysis and evaluation, and can take from two to six months according to OECD evidence. The initial diagnostic phase analysis of future iterations of the PPA or any other planning activity could thus be carried out by a working group constituted of civil servants with complementary skills and expertise, supplemented by external experts.
- Create detailed guidelines and toolkits to integrate stakeholder engagement and citizen participation within the planning cycle:
  - o The Secretariat of Government (SEGOV) could provide more detailed guidance to help public bodies clarify the objectives of the stakeholder engagement and citizen participation activities they carry out, which can range from information to co-creation.
  - o SEGOV could also help promote and facilitate a supportive administrative culture for instance by providing guidance and templates on how to design stakeholder engagement strategies or hold public consultations and hearings at the sectoral or agency level.
  - o Reinforce the institutional framework for stakeholder engagement by building effective feedback loops, by ensuring stakeholder and citizen engagement activities (national conferences, consultations, hearings) are carried out at a time which enables their outputs to be included in the process.
  - o Require institutions to provide feedback to stakeholders on how their input was used.
  - o Develop mechanisms in collaboration with the Ministry of Economy to ensure that RIAs being produced are considered in the prioritisation processes at the CoG.

Align and integrate the planning system

- o Eliminate superfluous whole-of-government strategic documents and align objectives and programmes across timeframes for more effective government action.
- o Undertake a stocktaking exercise of Brazil's whole-of-government planning documents to identify and eliminate redundancies and streamline the planning process.
- o Remaining short-, medium- and long-term whole-of-government strategies should be articulated through cascading goals, to ensure short-term goals are aligned and feed into medium-term goals, which contribute to long-term goals, or at the very least are not in contradiction with them.
- o The Brazilian CoG could also develop a common M&E system for whole-of-government strategies operating along different time frames.
- Improve the centre of government's challenge function to better integrate sectoral and whole-of-government strategies:
  - o Mandate a unit at the CoG to review and challenge Institutional Strategic Plans (PEIs) prior to finalisation to ensure they link effectively to whole-of-government priorities and the Federal Development Strategy (EFD, or any subsequently created long-term strategy).
  - o In line with efforts promoted by Law No. 9.163/2017, explicitly mandate a unit at the CoG to carry out a stocktaking exercise of sectoral strategies to identify overlapping plans of agencies operating in the same sectors and convene actors to eliminate contradictions and address potential gaps.
  - o Improve intrinsic capacity for sectoral planning in Brazil, in particular, to remedy the asymmetry in skills and resources across line ministries.

- Reinforce CoG capacity to implement national-level priorities at the state and local levels.
    - Clarify the institutional interface at the CoG mandated to co-ordinate and interact with states, and identify a single focal point for states to interact with the CoG in the planning process.
    - Align the state-level planning cycle with sectoral strategies (PEI) and PPA cycles in terms of timing.
    - Explore ways to incorporate state participation in an update of the EFD. This could be done through action plans creating links between state-level strategies and whole-of-government objectives.

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Notes

[1] Fragmentation here meaning multiple units or bodies perform similar functions or address a similar challenge.

[2] Information provided in the context of this project by the government of Brazil

[3] I - Accumulated financial execution, greater than 20% of its total estimated cost on the base date of 30 June 2019; II - Absence of impediment to immediate execution or existence of remediable impediment until 2020; III - Expected conclusion within the term of the PPA 2020-23.

[4] Information provided in response to the OECD questionnaire.

[5] I - Accumulated financial execution, greater than 20% of its total estimated cost on the base date of 30 June 2019; II - Absence of impediment to immediate execution or existence of remediable impediment until 2020; III - Expected conclusion within the term of the PPA 2020-2023.

[6] Stakeholders are any interested and/or affected party, including: institutions and organisations, whether governmental or non-governmental, from civil society, academia, the media or the private sector.

[7] Citizens are individuals, regardless of their age, gender, sexual orientation, religious and political affiliations; and in the larger sense, "an inhabitant of a particular place", which can be in reference to a village, town, city, region, state or country depending on the context.

[8] See https://www.gov.ie/en/publication/7e05d-programme-for-government-our-shared-future/ .

3 Budgeting in the centre of government in Brazil

This chapter focuses on the capacities of the centre of government (CoG) to contribute to budget strategy and collaborate with the Ministry of Economy on the settings, priorities and allocations for the federal budget. It considers how the CoG can ensure that the government's medium-term and long-term plans align with the federal budgetary framework and how the budget can support the government's key national policies in a coherent manner.

Introduction

The budgetary environment is challenging in Brazil. The COVID-19 pandemic has seen Brazil's budgetary position deteriorate with increases in the budget deficit, public debt and demand for scarce public resources. These challenges will remain in the medium term and it will likely take time for the economy to recover from the pandemic (OECD, 2020[1]).

At the same time, the design of the federal budgetary system in Brazil faces challenges relating to the co-ordination, prioritisation and allocation of budgetary resources. The CoG in Brazil has asked the OECD for advice on ways in which the centre can strengthen its capacities in these.

The CoG performs a pivotal role in budgeting in Brazil because of the federal nature of the government, its role in bringing legislation to Congress and its responsibility for strategic planning across the government. The government of Brazil has examined the management of its federal budget on many occasions. It has already taken action on some matters, such as the introduction of a fiscal rule to manage the growth in federal expenditure over time and the formation of the Budget Execution Board (JEO) as an advisory body to the president. The board's membership comprises the Minister of Economy and the Head of the Civil Cabinet of the Presidency of the Republic (Casa Civil).

This chapter considers the institutional arrangements that govern budgeting in Brazil at the CoG and looks at how the budget process is conducted from that perspective. The material in the following sections helps to identify five issues that can impact the CoG's ability to budget soundly and five areas for reform to improve the management of budgetary outcomes. These areas are:

- Fiscal sustainability and the management of legislated expenditure.
- Budget predictability from in-year amendments.
- The relationship between budgeting and planning to support prioritisation.
- Capital investment and the management of fiscal risks.
- Incentives to scrutinise baseline expenditure.

The OECD has looked at the capacities that the CoG can bring to the budget process and the information the centre requires in order to make informed decisions to help ensure the federal budget pursues governmental priorities and has an approach that focuses on results, value for money and accountability. The recommendations propose managerial solutions to improve co-ordination across government, as well as new materials that are not currently available to inform budget decisions and strengthen the budgetary framework.

The OECD's analysis is based on the Recommendation of the Council on Budgetary Governance (OECD, 2015[2]) and draws on comparative information from across OECD countries. This chapter does not consider the structure of government, nor does it give a view on fiscal priorities. Rather, it focuses on the effectiveness of decision-making processes in the budget with respect to the responsibilities of the CoG.

Institutional arrangements are unique to Brazil

Budgeting at the federal government of Brazil is characterised by obligations that are established in the national constitution for each branch of government and the government ministries and entities within the executive. This section looks at these arrangements for the aspects that are relevant to the CoG in budgeting.

Budgetary arrangements are embedded in the national constitution

In Brazil, the federal government's obligations to prepare and execute a budget are expressed in the 1988 national constitution and its amendments. Article 165 provides for a multi-year plan, budget directives and an annual budget (Constitute, 2021[3]). The multi-year plan is to list the objectives and targets of the federal public government for current expenditure, capital expenditures and other expenses. The information is to be presented on a federal and regional basis. Budget directives lay out the targets and priorities of the government. The directives support budget transparency by requiring a budget implementation report to be published within 30 days of each 2-month period. The report, entitled *The Bimonthly Report on the Evaluation of Primary Revenues and Expenditures*, is mandated under the Fiscal Responsibility Law. The annual budget shows the allocation of funding to governmental agencies, capital investment and social security expenditures and funds. Reflecting the federal character of Brazil, the budget also shows the regional distribution of revenue, expenditure, subsidies, exemptions and lending.

The Constitution of Brazil defines the roles and responsibilities of legislature, executive, and budgetary oversight institutions. It includes requirements for fiscal rules, the rights and obligations of regions and the requirements to audit financial statements. National constitutions in many OECD countries also contain articles relating to budgets (Figure 3.1.). Many of the provisions are comparable to those contained within the constitution of Brazil, for example:

- **Multi-annual budget plans**: Only 10% of OECD countries define the requirements for medium-term strategic plans in constitutions. The majority of OECD countries use statutes such as budget laws or administrative procedures.

- **Budget scope**: Constitutional clauses stating that all government revenues and expenditures must be included in the budget are frequent, for example in Germany, Greece and Spain. Some countries such as Spain require the disclosure of tax expenditures. Other countries refer to the social security budget, for example, Portugal. Some OECD countries also define whether government business enterprises are to be included in the financial statements of government.

- **Budget structure**: The structure of the budget and basis for votes (line item, programme, by ministry, etc.) is set out usually in special or ordinary legislation. An exception can be found in Portugal where the constitution mandates that the budget shall be structured by programmes (Article 105).

Figure 3.1. Legal basis of budgetary practices in OECD member countries
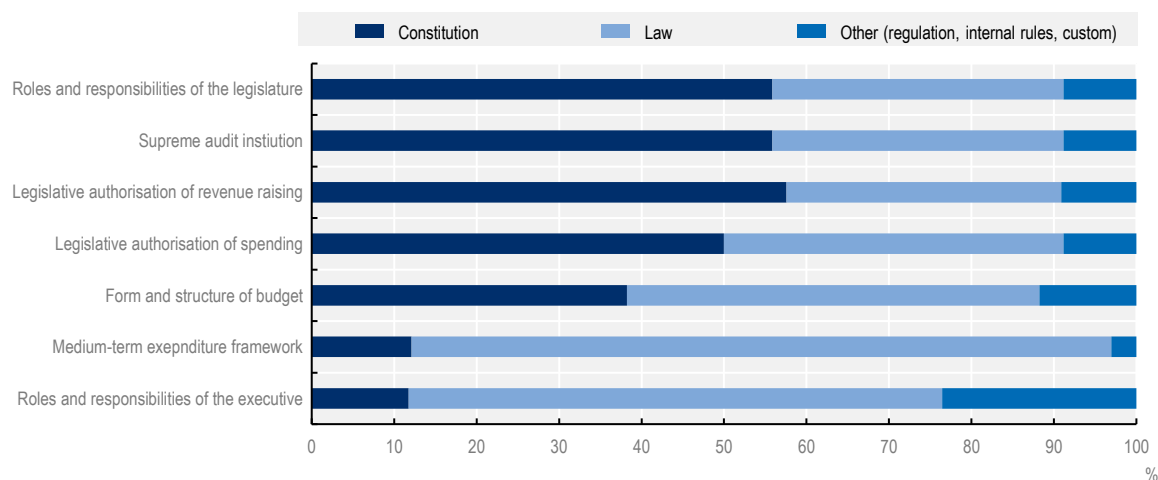
Note: The figure presents the proportions of countries surveyed that provided responses (34 countries for most categories).
Source: OECD (2019[4]), *Budgeting and Public Expenditures in OECD Countries in 2019*, https://doi.org/10.1787/9789264307957-en.

The legislature has extensive powers on budget legislation

Congress is responsible for approving the government's proposed federal budget. Congress exercises an active role in the determination and approval of the federal budget and frequently proposes amendments.

A range of proposals has been put forward at different times to limit Congress' ability to re-estimate revenue and to place restrictions on the amendments that congressional representatives can introduce. Some proposals have tried to strengthen the committee stage of Congress' scrutiny of the executive's budget proposal, for example by merging the technical units of the Chamber and Senate to pool the resources available to Congress (Tollini, 2009[5]). However, these have gained little traction and illustrate the limitations of importing budgetary institutions from other jurisdictions without adapting them to Brazil's existing arrangements.

Budgetary responsibilities are shared across institutions in the executive

Within the executive, the CoG comprises several organisations that are located inside and outside of the institutions of the presidency. As explained in Chapter 1, the CoG performs four core functions: strategic planning, co-ordination, communication and monitoring. These functions include responsibilities for the co-ordination of policy across government and with Congress.

Organisations within the presidency, such as the General Secretariat (*Secretaria Geral*, SG) and the Civil House (*Casa Civil*) hold responsibilities for developing strategic plans, sector priorities and goals.[1] In the case of the SG, the planning function is for the internal management of the presidency and the modernisation of the state where the scope of responsibility is to define goals and priorities. These responsibilities are relevant to the preparation of the federal budget and are assigned largely to special secretariats and related bodies within each organisation. The allocation of responsibilities has encouraged specialisation and the development of expertise; however, the responsibilities have changed over successive presidential terms with functions being added or transferred. The changes have resulted in duplications in some areas: for instance, the Special Secretariat for Strategic Affairs (SAE) is responsible for formulating national planning strategies in terms of sector priorities and goals. Similarly, Casa Civil contributes to the process of developing the government's strategy, sector priorities and goals. It has responsibilities for the presidency's relationship with Congress, as does the Secretariat of Government (SEGOV). SEGOV assists the president of the republic in political and social co-ordination, especially in the relationship with Congress. There are some distinctions but the commonality of the functions illustrates a need for co-ordination across the four ministry-level organisations within the presidency on strategic planning and prioritisation for budgetary purposes.

Outside of the presidency, the Ministry of Economy (Ministério da Economia*)* also has responsibility for strategic planning in relation to the budget. The ministry is responsible for budgeting, public finance, economic forecasting and monitoring public expenditures, amongst other things. In the case of the organisations within the presidency and the Ministry of Economy, the responsibilities are established in legislation. Casa Civil also has special bodies with responsibilities for budgeting (public finance), economic policy and public management. Again, the functional responsibilities identify a degree of overlap and the need for co-ordination.

Planning and budgetary functions in government should occur in a co-ordinated manner to maximise the value from each function. A budget helps inform whether plans are achievable and a plan helps guide a budget so that it can contribute to the government's priorities over time. In Brazil, the federal government has well-established planning and budgetary functions. The 2003 OECD review of budgeting in Brazil observed that budgeting and planning occur in parallel and largely disconnected ways (Blöndal, Goretti and Kristensen, 2003[6]). However, since then the government has taken actions to strengthen the institutional arrangements, for instance by establishing a JEO that is composed of senior representatives from within this the presidency and the Ministry of Economy.

In some OECD countries, institutional responsibilities for planning and budgeting are shared across more than one organisation and with the CoG. The shared responsibility is to help ensure that the medium-term aspects of budgeting align with a government's medium-term and strategic priorities. Figure 3.2 shows that in 65% of OECD countries, the responsibility for strategic planning for the purposes of budgeting resides in entities that are closest to the leadership of the country. In this regard, the shared responsibilities for planning and aspects of the federal budget in Brazil are not unique.

Figure 3.2. Institutions responsible for strategic planning for budgetary purposes in OECD countries
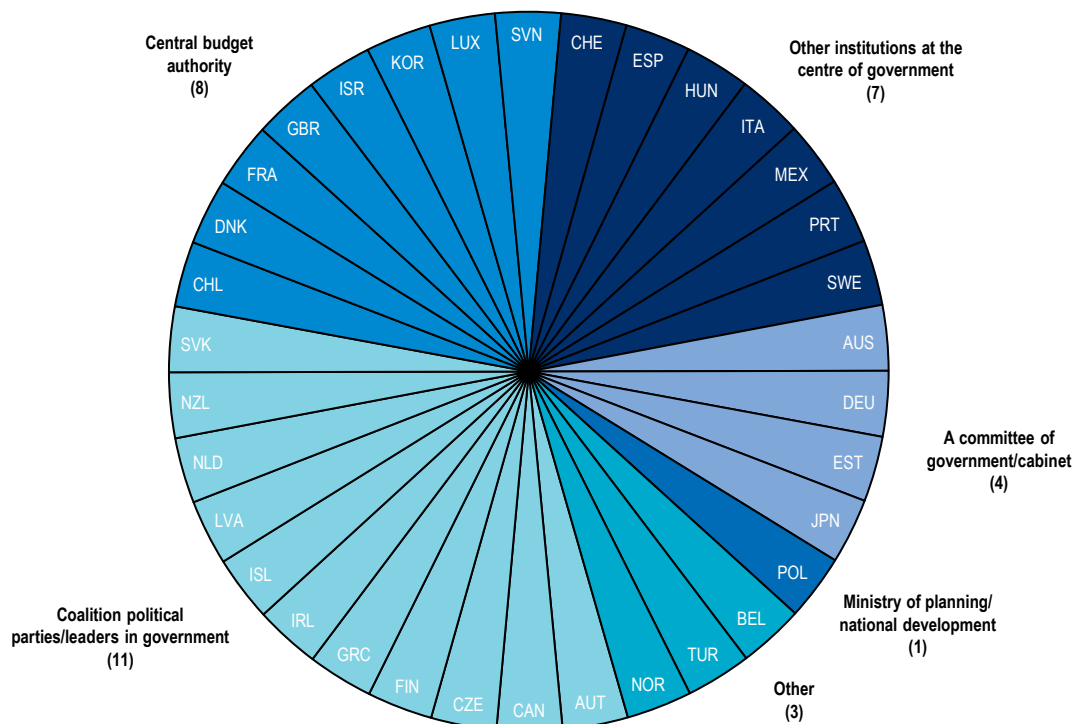
Source: OECD (2019[4]), *Budgeting and Public Expenditures in OECD Countries in 2019*, https://doi.org/10.1787/9789264307957-en.

In Brazil, the CoG is responsible for strategic planning initiatives and for medium-term planning, both of which are discussed in Chapter 2. Casa Civil, in conjunction with other areas of the presidency, identifies and defines whole-of-government strategic priorities and design long-term strategic plans. These capacities are not well connected to the formulation of the annual budget, despite the fact that Casa Civil has a role in monitoring the implementation of the budget.

The central budget authority is responsible for leading the budget process. In the majority (86%) of OECD countries, the central budget authority is located in the Ministry of Finance or its equivalent (OECD, 2019[4]). In Latin America, the proportion of central budget authorities located in a ministry of finance is a similar percentage (84%) (OECD, 2020[7]). In the case of four OECD countries (Australia, Canada, Ireland and the United States [US]), the responsibilities are allocated across more than one government agency for the budgeting of expenditure and revenue. In fact, shared responsibilities exist across a range of budgetary functions, not just strategic planning (Figure 3.3) in OECD countries. In Brazil, responsibilities for strategic planning in relation to the budget are shared across Casa Civil and the Special Secretariat within the CoG as well as with the units in the Ministry of Economy responsible for budgeting, public finance, economic forecasting and monitoring public spending. Challenges with this arrangement include co-ordination across organisations and processes to prioritise strategic planning initiatives for budgeting purposes, and more

broadly to align coherently the federal budget with Brazil's planning instruments (notably the Pluriannual Plan or PPA).

Figure 3.3. Responsibilities of central budget authorities in OECD countries
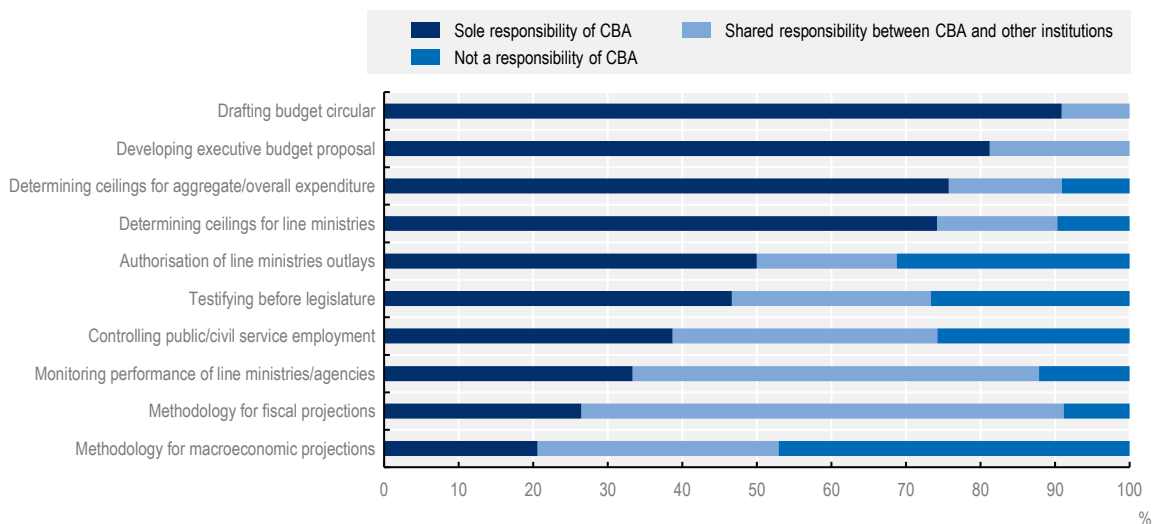
Note: CBA: Central budget authority.
Source: OECD (2019[4]), *Budgeting and Public Expenditures in OECD Countries in 2019*, https://doi.org/10.1787/9789264307957-en.

The judiciary performs an active role in the legality of federal budgets

In Brazil, the role of the judiciary provides a safeguard on the use of public funds after the budget is approved by Congress to ensure the use of funds remains consistent with the country's existing laws. The judiciary may review the federal budget where an area of budget expenditure is inconsistent or contravenes existing legislation. The judiciary can also rule on the use of presidential decrees to shift money from one purpose to another during a given year. As such, the judiciary's remit goes beyond ruling on procurement processes to undertake initiatives that were proposed in the budget.

From a CoG perspective, the judicial remit on budgeting means that Casa Civil remains ready to defend the budget from legal challenges even after the budget has been approved by Congress. This responsibility is shared with the Ministry of Economy.

The government has continued to strengthen its public finance architecture

Over two-thirds of OECD countries now have independent fiscal institutions (independent parliamentary budget offices or fiscal councils, *Instituiçãos Fiscal Independente*, IFIs). Brazil joined their ranks in 2016 with the establishment of its *Instituição Fiscal Independente* in the Senate to monitor fiscal policy, provide independent economic analysis and more generally strengthen budget transparency. The IFI, modelled in part on the United Kingdom Office for Budget Responsibility, was established through primary legislation and is led by a three-member board chosen by the Senate (Federal Senate, 2016[8]). As such, the Brazilian model has the collective leadership typical of a fiscal council but is embedded in the legislative branch. In addition to the board, it also has a Technical Advisory Council (modelled in part on the advisory panels of the Congressional Budget Office in the United States).

The Brazilian IFI is mandated to: i) publish estimates of economic parameters and variables that are relevant to the construction of fiscal and budgetary scenarios; ii) analyse adherence of tax and budgetary indicators to legally defined goals; iii) measure the impact of relevant tax events, especially those arising

from decisions of the Powers of the Republic, including the costs of monetary, credit and foreign exchange policies; and iv) project the evolution of fiscal variables that are determinant to the long-term equilibrium of the public sector. Resolution 42/2016 requires the Brazilian IFI to present its projections and fiscal analyses to the Economic Affairs Committee on a biannual basis (Federal Senate, 2019[9]).

The IFI is relevant to Casa Civil as the CoG has responsibility for the government's interactions with Congress. The IFI provides budget analysis to Congress to help the Congress in its budgetary role. In doing so, the IFI has added to the specialisation and separation of budgetary roles between the CoG, the Ministry of Economy and Congress. In the five-year period since its establishment, the IFI has become a reliable voice on budgetary and fiscal policy; its analysis may also be useful to Casa Civil as it manages relations with Congress.

The CoG performs essential roles in budgeting

This section considers the budget documents and the budget process as the tools available to the government to manage the federal budget effectively across the organisations within the CoG.

Budget documents are prescribed in detail in legislation

In Brazil, budgetary documents (Box 3.1) are prepared by the Ministry of Economy in accordance with the national constitution and the 2000 Fiscal Responsibility Law (*Lei de Responsabilidade Fiscal*). The law has helped Brazil manage its budget responsibility by requiring comprehensive coverage of the public sector in the federal budget, including budget transactions with states and municipalities. However, the law has been diluted over time: for instance, in 2009, the primary surplus target was reduced. The Fiscal Responsibility Law's objectives around transparency have also been undermined by off-budget transactions, such as public-private partnerships and financial support to local banks.

Box 3.1. Budget documents in the federal government of Brazil

The budget is expressed in three core documents that become law once each is approved by Congress:

- **Pluriannual plan** (*Plano Plurianual da União*, PPA): The PPA contains macroeconomic forecasts and fiscal objectives for a four-year period, which the government prepares within its first year of taking office and submits to Congress for approval. The four-year period of the plan means that the final year extends into the first year of the next governmental term, for the purpose of providing continuity across electoral cycles.

- **Budget directives** (*Lei de Diretrizes Orçamentárias*, LDO): The directives set targets and priorities for the federal government for the coming budget year. The targets and priorities are established each year in the context of a two-year time horizon – the present year and the next year. The purpose of the directives is to provide guidance to the executive on the preparation of the annual budget.

- **Annual budget** (*Lei Orçamentária Annual*, LOA): The annual budget proposal is to be consistent with the PPA and LDO. If there were no change to the economic and operating environment, or the political demands facing the government, the sum of four annual plans should broadly equate to the PPA. However, such abstractions are not the reality.

Within the budget documents that are submitted to Congress, the information on programmes and sub-programmes is highly detailed. An implication from the detail is that budget flexibility is limited and changes to the composition of costs must be submitted to Congress for approval. As such, Congress becomes involved in the definition of programmes and programmatic details and may focus less on performance and results.

The PPA provides a medium-term perspective of the government's budgetary intentions. The period of the PPA and the timing of its preparation conveys the notion of continuity between two governmental terms. The directives provide goals, priorities and parameters for the annual budget; however, it stops short of being a fiscal strategy. The three budgetary documents should create an inter-related system of planning, guidance and budget allocation. However, the clean design is more complex in reality. As discussed in Box 3.1, the PPA remains unchanged largely during the four-year period and becomes increasingly detached from the realities facing the executive in each successive year of its term. However, there is a legal provision for an annual revision to the PPA, which is intended for budgetary adjustments to programmes and goals (Government of Brazil, 2020[10]).

Separate from the four-year plan, the CoG prepares strategic plans. The strategic plans are not approved by Congress but identify a long-term vision and high-level policy direction for Brazil. The distinction between the strategic plans and the four-year PPA illustrates the attention Brazil gives to planning. However, in a budgetary context, the separation of responsibilities from planning within the presidency and budgeting in the Ministry of Economy creates co-ordination challenges for the flow of information across government in Brazil, as shown in Chapter 1.

The budget process is well developed

Table 3.1. characterises the five phases of the budgetary process. In the majority of OECD countries, the CoG is involved in the budget strategy phase of the budget process and in the budget approval phase when the executive's budget proposal is submitted to the legislature. In each instance, the CoG's involvement is conducted with the central budget authority.

Table 3.1. Five phases of the budgetary process

Budget phase	Description
Budget strategy	The objectives, priorities and high-level settings that are to guide the formulation of the executive's budget proposal.
Budget formulation	The executive's preparation of its proposed budget.
Budget approval	The legislature's approval of the proposed budget, with or without modification.
Budget execution	The implementation of the approved budget.
Budget review	The independent review of the completed budget, including the financial statements of government.

In Brazil, the centre has a powerful influence in the co-ordination of government and the budget because of Casa Civil's responsibilities for progressing legislative proposals. Casa Civil capacities in the *ex ante* evaluation of legislative proposals and the co-ordination of relations with Congress can support the passage of budget legislation in a manner that is not replicated by other ministries of government.

Budget strategy requires a co-ordinated approach with the CoG

The co-ordination between a CoG and a central budget authority on budget strategy helps ensure that a government's priorities are part of the budget strategy.

In Brazil, the budget process is well established in its component phases. However, in 2017, the International Monetary Fund noted that the budget documents do not provide a clear picture of fiscal strategy or the policy measures to help achieve the government's objectives on fiscal policy (IMF, 2017[11]).

Since then, the Ministry of Economy through the National Treasury Secretariat has strengthened its preparation of a fiscal risk annex in the budget documents (Decree No. 9.679/2019). In addition, the secretariat prepares medium- and long-term scenarios and sets fiscal policy guidelines on fiscal planning and the identification of fiscal risks. This process involves monitoring and evaluations to improve the federal government's budgetary and financial process. These developments help take Brazil closer to operating fully a medium-term expenditure framework that informs budget strategy and decisions.

Budget formulation is pre-determined largely by existing legislation

In Brazil, the federal budget is prepared by the Ministry of Economy on a cash basis and focuses on incremental expenditure while abiding by constitutional and other legislative (mandatory) requirements on the allocation of expenditure. Approximately 94% of the budget is determined by the allocations that are set in legislation. In this regard, the majority of the budget is completed before the budget process begins, as only 6% of the incremental expenditure is available to be allocated to the government's priorities. The legislated allocation of expenditures does not have regard for innovation, quality or the volume of services that may be required.

The legislated expenditure creates challenges for fiscal sustainability as the government is not able to change the cost structure of the budget to respond to changes in economic and social circumstances. In addition, the legislated expenditure makes it challenging to scrutinise the existing expenditure to identify activities that are ineffective and inefficient. As a result, the government faces two options:

- Seek a legislative amendment to the expenditure.
- Use presidential decrees during the year to reallocate certain expenditures.

The circa 6% that is available for the government's policy priorities, includes public investment priorities. With such a small proportion of available funds for allocation in a federal budget, the competition for funding is high and should flow through to well-developed capacities for prioritisation. However, this does not always appear to be the case. There is scope for the Ministry of Economy, in conjunction with Casa Civil, to strengthen the assessment and prioritisation of current expenditure to support the selection of budget initiatives in the context of scarce resources. One area where prioritisation has improved during the formulation of the budget has been capital expenditure where the government has identified specific projects to complete.

Budget approval processes in the legislature are complex and unpredictable

In Brazil, there are effectively four budgets and each can differ from the other.

- The planned budget, as expressed in the government's PPA.
- The budget proposal that the executive submits to Congress for approval.
- The approved budget that contains Congress' amendments.
- The executed budget that is adjusted with presidential decrees and is subject to the cash available.

Despite guidelines that permit updates to the PPA, authorities noted that the PPA can become dated over a four-year period (see Chapter 2 on planning). The budget proposal that the executive submits to Congress is subject to amendment and the approved budget is not achievable to the extent that revenue is overestimated. The process of re-estimating revenue and proposing new expenditure can help to reveal the expenditure pressures that exist across the country and identify the extent to which there is a political consensus on those pressures. However, increases in revenue over and above the forecasts submitted to Congress by the government create the challenge of how to undertake expenditure if the revenue does not materialise. As such, the predictability of the budget is a challenge, as the government has to manage new expenditures based on the cash available, which can mean that new initiatives can take longer than planned to implement.

An expenditure rule has strengthened the government's budget framework

Fiscal rules commit a government to how it determines the overall size of the budget. It is an important means of communicating the government's budget strategy, in particular the way a government is proposing to manage fiscal sustainability challenges over time.

In Brazil, in December 2016, Congress approved a constitutional amendment (Amendment 195, *Teto dos Gastos*) to place a ceiling on federal expenditure for a 20-year period to 2036. The amendment limits the growth in expenditure in any one year to no more than the rate of inflation of the previous year. The purpose of the rule is to keep expenditure constant in real terms over time. The expenditure rule applies to the executive, judiciary and legislative branches of the federal government. If a branch of government does not stay within the expenditure ceiling, in the subsequent year, it is prevented from increasing salaries, hiring staff or commencing procurement tenders until expenses return to within the ceiling. Assuming that economic growth continues at a higher rate than inflation, the level of debt as a percentage of gross domestic product (GDP) is to decrease over the 20-year period and improve fiscal sustainability. Initial signs are that the expenditure rule is providing an effective means of controlling aggregate expenditure and supports market confidence, but at the same time adds to the pressures of prioritising budget proposals.

A CoG performs an important role in times of crisis where the president leads the response to a natural disaster or health emergency. In 2020, during the outbreak of COVID-19, Congress ratified a constitutional amendment to allow for the separation of COVID-19 related expenses from the federal government's ordinary budget. The amendment suspended Brazil's golden rule on budgeting to enable the government to raise debt to help manage the health crisis (Box 3.2). The amendment illustrated the CoG's involvement in budgetary matters as a result of COVID-19. A Special Secretariat for COVID-19 has created committees to help state and municipal governments to access federal resources. Ordinarily, the golden rule would mean the government's borrowing cannot exceed capital expenditure.

Box 3.2. Budgetary responses to COVID-19 in Brazil

In 2020, Congress declared a state of emergency and granted an exemption from the 2020 budget target. It approved additional public expenditure of around 8.5% of GDP for social protection, health and other areas of spending, including:

- Additional health resources included in transfers to state and municipal governments.
- The Brazilian Development Bank announced new credit lines for companies.
- For small- and medium-sized enterprises, an emergency credit line was opened to cover two months of wages for employees.
- For formal workers and their employers, a new short-term work scheme from unemployment insurance.
- For informal workers and the unemployed, a temporary new benefit, provided that they earn less than half a minimum wage and are not covered by other social benefits, except *Bolsa Família*.
- Withdrawals from individual unemployment insurance accounts have been made possible.

Source: OECD (n.d.[12]), *Country Policy Tracker*, OECD, Paris, https://www.oecd.org/coronavirus/country-policy-tracker/.


Five issues on budgeting at the CoG

This section focuses on five issues that can affect budgeting at the CoG in Brazil, based on the previous sections.

Increases in federal expenditure create challenges for fiscal sustainability

Brazil faces challenges to fiscal sustainability from increases in fiscal deficits, the size of the government and gross public debt. Figure 3.4 shows trends in the performance of these metrics for the general government, which is defined as the federal government, state, municipal governments and social payment expenditures.

Figure 3.4. Trend in budgetary performance in Brazil
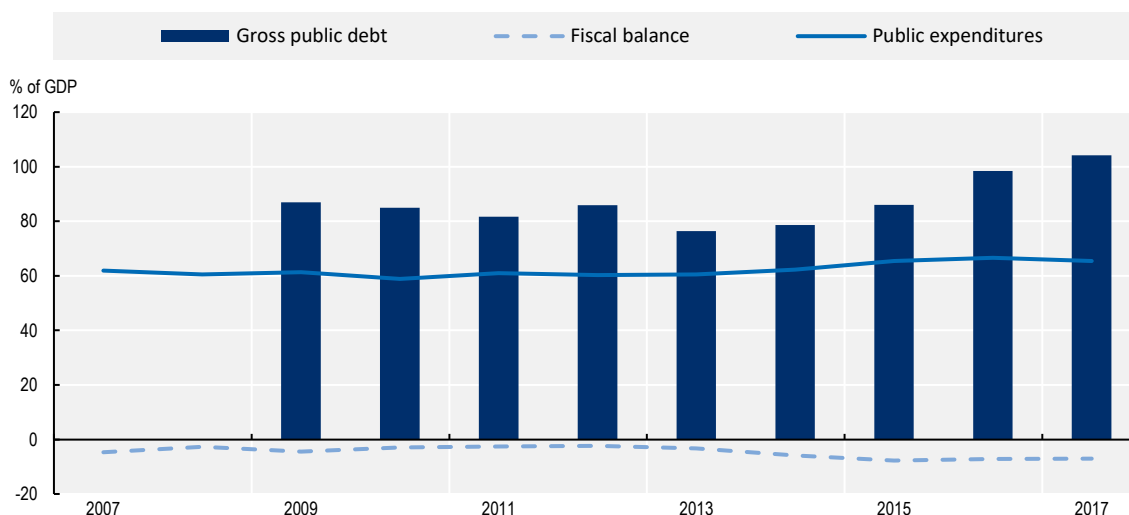
Note: The graph refers to general government fiscal balance, general government gross debt and general government expenditures.
Source: OECD (n.d.[13]), *OECD National Accounts Statistics (database)*, https://doi.org/10.1787/na-data-en.

Even before COVID-19, the level of gross public debt in Brazil was high for an emerging market economy in relative terms. Debt simulations by the OECD indicate that the trajectory of debt will continue to increase in the coming years, although the exact path depends on the government's reform agenda (OECD, 2020[1]). The expenditure rule has strengthened the budgetary framework in Brazil and has set a path to improve fiscal sustainability. The general government's primary fiscal balance had improved since the introduction of the expenditure rule and prior to the budgetary responses to the COVID-19 pandemic.

In Brazil, the Secretariat of Government has responsibilities for the government's interactions with Congress, for example:

- **Legislated expenditure can damage fiscal sustainability in Brazil**: Expenditure that is fixed in legislation can remove the incentive to improve the cost base and to adapt to changing circumstances. As an illustration, the national constitution specifies that 25% of municipal tax revenues be allocated to education. However, variations in the distribution of wealth between states limit the ability of the federal government to use the education budget to address lower levels of educational attainment in some states relative to others (World Bank, 2017[14]).

- **Existing budgetary settings are considered unsustainable**: The state pension is an example of budget expenditure that is monitored by the government constantly but, up to the time of this review, has increased each year. Pension reform in Brazil is not new, nor are the issues that underpin the reform. The pivotal contribution by the CoG to the fiscal sustainability of the federal budget is to advance legislative reform to improve the affordability of existing policies. Leadership by the CoG is fundamental as there cab be a lack of incentive to advance reform in the public sector (Box 3.3). On this, the Secretariat of Government (International and Inter-institutional Relations (SRI), and Parliamentary Affairs) is involved in reviewing budgetary settings.

Box 3.3. The reform of state pensions in Brazil

The salary gap between public and private sector workers in Brazil is significant, which flows through to pensions where benefits are calculated as a proportion of salary. The majority of public servants are in the wealthiest quintile of the population. The country's population is ageing and the age-dependency ratio is increasing.

In 2018, the shortfall from pension payments relative to contributions in the main pension schemes for the public sector and private sector employees contributed to a sizeable unfunded liability. The liability is likely to increase in magnitude over the next decade. In February 2019, the government submitted a pension reform proposal to Congress. Reforms increased the retirement age for men and women and introduced a minimum contribution period to the schemes before recipients can receive payments.

Source: OECD (2020[15]), "Civil service pension reform in developing countries: Experiences and lessons", https://doi.org/10.1787/f872f328-en.

Medium-term expenditure frameworks support budget predictability

The absence of a medium-term expenditure framework in the budget reduces the predictability of the budget beyond a 12-month period (World Bank, 2017[14]). While Brazil does not have a fully developed multi-year perspective in budgeting, the government has undertaken reforms to strengthen aspects of its medium-term perspective in budgeting, Article 9 of Budget Guidance Law 2021 (No. 14.116/2020), for instance, establishes multi-year investment projects for high-value capital expenditure projects (greater than BRL 50 million). In addition, the PPA 2020-2023 (Law No. 13.971/2019) refers to priority investments. However, areas remain where the government could build on its reforms to date as the PPA is not binding on the budget and is limited to the federal government; it does not determine medium-term budget planning for states and municipalities.

The absence of a full medium-term expenditure framework is in contrast to the majority of OECD countries (OECD, 2019[4]). Two examples are Sweden and the United States:

- **Sweden:** As a result of an economic crisis, the Swedish government implemented a top-down budgeting system to move from a single year focus to a budget with a medium-term perspective with strong fiscal control on aggregate expenditure (Box 3.4).
- **United States:** The federal budget contains a multi-year perspective. The budget is for one year and budget documents include revenue and expenditure estimates for the next four years, which in total provide a five-year view of the potential impacts of government policies in fiscal terms. Multi-year appropriations apply to public investment.

Budgets focus on federal expenditure for a single year. Within a single budget year, there are three ways in which the government can amend the budget after it has been approved by Congress:

- *Creditos orcamentarios suplementares,* which is a presidential decree to reallocate expenditure within the limits set by the annual budget.
- *Creditos orcamentarios especiais*, which is for new expenditure that was not within the annual budget and requires congressional approval.
- *Creditos orcamentarios extraordinarios*, which is for urgent expenditures, such as natural disasters, where congressional approval is required after the fact and is subject to certain requirements, such as executive approval on a provisional basis until congressional approval is obtained.

The impact on the predictability of the budget can also apply when Congress grants prior authorisation to implementing a decree, as the timing and extent of the government's response to the authorisation have yet to be determined. Although budget laws in OECD countries permit reallocations, these occur with conditions or restrictions. For instance, in Australia, reallocations can occur only within one performance area and in Germany, the reallocation is to be pre-approved by parliament (OECD, 2019[4]).

Box 3.4. Medium-term and top-down budgeting in Sweden

In the 1990s, Sweden experienced an economic crisis. Inflation was around 10%, which created economic imbalances in the form of an overvalued fixed exchange rate and rapidly increasing prices for real and financial assets. GDP fell three years in a row from 1991-93 and general government debt as a percentage of GDP nearly doubled over the course of a few years, to reach 75% in 1994.

The government budget process was weak by international comparison: bottom-up, demand-driven and with a strong one-year focus. Coming into the 1990s, a reformed budget process was necessary to gain control of the growth of expenditure. The reformed budget process uses a top-down and medium-term framework, with an aggregate expenditure ceiling that is approved by parliament for three years and a structural target for general government finances. The crisis stimulated several other reforms, including in the public pension system. The establishment of an independent fiscal institution, Sweden's Fiscal Policy Council, complemented and reinforced these reforms.

In order to strengthen prioritisation in the political system, the expenditure ceiling refers to all central governmental expenditure. This includes all legally based entitlement systems, such as pensions and unemployment benefits. Only interest payments were left outside the ceiling. In Sweden, a budgeting margin allows for limited fluctuations within the fixed ceiling but, apart from the margin, higher expenditures must be financed by cutting other spending.

Based on the experiences in an unstable economic environment, the government updates continuously its baseline macroeconomic forecasts and projections of government finances. Improved forecasting allows the government to detect expenditures that could threaten the ceiling. The sooner a possible deviation is detected, the greater the possibilities for the political system to take action. As of 2021, the Swedish government still produces five-year forecasts every year.

Source: Ministry of Finance, Sweden; Blöndal, J. (2001[16]), "Budgeting in Sweden", https://doi.org/10.1787/budget-v1-art4-en.

Effective capital investment and fiscal risk management support budget outcomes

In Brazil, the federal budget gives a special priority to capital investment within the funds that are available to support economic and productivity growth. Casa Civil has particular regard for capital investment to see that the president's flagship investments are implemented. Flagship investments can include such things as infrastructure, defence equipment and modernising technologies. However, capital investment by the federal government faces challenges as investments that have been approved by Congress in the budget can still face delays in advancing to implementation. The challenge is notable because the rate of capital investment expenditure by the federal government in Brazil is low relative to the average rate by OECD countries (Figure 3.5). Recent developments, including a constitutional amendment (102/2019) to provide in the Budget Directives Law for the proportion of resources that are to be allocated to public investment in the annual budget, provide some optimism for improved results in the coming years.

Figure 3.5. Public investment in Brazil
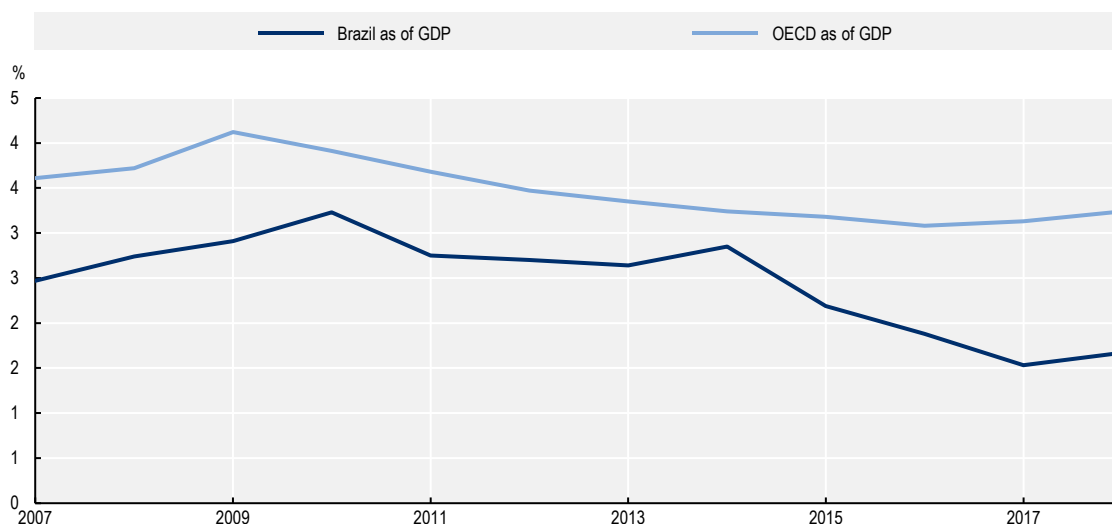
Note: The graph refers to the share of total government expenditures.
Source: OECD (n.d.[13]), *OECD National Accounts Statistics (database)*, https://doi.org/10.1787/na-data-en.

Other improvements include the information that is available to the Ministry of Economy and Casa Civil when making decisions on prospective capital investment proposals, for instance the use of timely and comprehensive information on fiscal risks. The National Treasury Secretariat prepares medium- and long-term scenarios of public finances, which inform the identification of fiscal risks. Fiscal risk assessments are part of the Budget Guidelines Law and are updated periodically.

A fiscal risk management framework and reporting regime are available to the JEO. Prior to board meetings, agenda items are analysed by the Federal Budget Secretariat, to ensure analytical advice is available to the board. However, the fiscal risk reports do not identify potential budgetary impacts or responses should a risk eventuate. In addition, the fiscal risk framework does not require line ministries to have a fiscal risk management framework in order to help ensure risk mitigation measures can be managed by ministries.

By way of a comparative practice, in Australia, fiscal risk reports help to articulate the extent of risks, specific concentrations of risk and the risk treatments that are in place (Box 3.5).

> **Box 3.5. Fiscal risk management in Australia**
>
> As a federal country, Australia has an established track record of managing fiscal risks. In 1998, Australia adopted the Charter of Budget Honesty Act, which requires the government to prepare a statement of the risks, quantified where feasible, that may have a material effect on the fiscal outlook. The government's fiscal risk management framework has two objectives:
>
> - Identify the full range of factors that may influence the actual budget outcome in future years.
> - Manage and mitigate, where possible, these risks in accordance with the principle of sound financial management.
>
> To give effect to the framework, the government operates a Risk Potential Assessment Tool to help government entities assess risks by guiding them on how to consider such things as whether a new initiative is a strategic priority of the government and the risks associated with the initiative. Entities are to provide the information from the tool to the department of finance. A risk statement is included in the budget documents and is available publicly. The budget documents also contain an analysis of the fiscal risks that are associated with uncertainties in the economic outlook.
>
> Source: Moretti, D. (forthcoming[17]), "Managing fiscal risks: Lessons from case studies of selected OECD countries", *Journal on Budgeting*.

Budgeting and planning are interdependent functions

A budget helps determine the extent to which a plan is realistic and a plan helps prioritise the allocation of resources so the plan can be achieved. A plan that is disconnected from the budget sets out a vision without the practical means to achieve it. In Brazil, the contribution by the planning secretariat at the CoG is largely a one-in-four-year event when preparing the PPA and there are other long-term plans that are disconnected from budgetary processes. The four-year PPA stands in isolation from the government's other planning activities, principally those developed by the CoG. In this regard, planning and budgeting functions in the federal government of Brazil face a "Stockdale paradox" in that planning for the future should not be disconnected from the facts of the present reality (Collins, 2001[18]). The value from budgetary processes would be increased by bringing governmental plans into the budgeting process and establishing a budget constraint to planning to help ensure it is achievable over time.

Although the relationship between budgeting and planning contains an inherent logic, it can be difficult to implement in a government where the functions are not co-ordinated closely. It should not be necessary to have a structural solution such as a single organisation to have a co-ordinated approach. As discussed in Chapter 1, a co-ordinated approach highlights the importance of well-defined governance arrangements that articulate the functional responsibilities and expertise of each organisation, the flow of information that is to occur and the decisions and outputs that are to result from the co-ordination.

In Brazil, federal budgeting is technical and prescriptive. The technical aspects are due to the fine degree of detail in the format of the budget. Expenditure is categorised by organisation, function, programme, project, activity, input, region and other criteria. According to the Budget Technical Manual, there are 13 expense categories (Government of Brazil, 2021[19]). The level of detail allows for control over expenses but provides less flexibility for changes in circumstances. Project planning and implementation is hampered, as the detail prevents budget reallocations that meet operational needs.

The CoG has a role in lifting sights above the detailed requirements to identify the initiatives that matter most across government. Two country examples where such processes operate from the CoG are:

- **United Kingdom**: The CoG (cabinet office) focuses principally on strategy, prioritisation and accountability in relation to the budget (Box 3.6).
- **United States**: In 2020, there were 90 priorities, approximately 3-4 for each federal department and the CoG used centrally co-ordinated processes and routines to help drive progress.

In both instances, the priorities of the government inform the design of the budget and the initiatives that are funded.

Box 3.6. Budget-related functions in the CoG in the United Kingdom

The CoG in the United Kingdom is principally the Prime Minister's Office and the Cabinet Office. Many of the functions performed by the HM Treasury are also relevant to the CoG. On budgeting, the Treasury focuses on budget strategy, prioritisation and accountability. These functions are also of key interest to the Prime Minister's Office and the Cabinet Office. Budget strategy includes the prime minister's involvement in the early stages of the budget process. Prioritisation is largely on the flagship initiatives that help define the government's policy agenda, and the accountability functions can refer to transparency, delivery and guidance on standards and methodologies.

The emphasis applied to budget strategy, prioritisation and accountability can vary depending on the priorities of the prime minister of the day and the needs of the government. As an example, in 2002, the then prime minister, Tony Blair, established a delivery unit to strengthen the CoG's accountability role by monitoring the progress of the government's flagship priorities. Subsequent prime ministers have changed the focus of the unit. The enduring aspects of each function were the ones that were complementary and not duplicative of the functions performed by other ministries.

Scrutinising baseline expenditure helps the government achieve its priorities

Applying scrutiny to the existing allocation of government expenditure has political and administrative dimensions. Changing the composition or delivery of public services may require political leadership to explain the change and may result in changes to a minister's portfolio. At the same time, the operational knowledge of the services rests with government ministries and entities. Budgeting effectively requires a sound knowledge of the performance of the expenditure that has already been committed to ensuring that it offers value for money and is allocated to the areas that require it the most.

In many countries, Brazil amongst them, a budget comprises new expenditure that adds to the base of existing expenditure. However, the existing expenditure is not static as the composition of public services changes over time, based on changes to the demand for services and new ways of delivering services. This means that the composition of existing expenditure can change while still producing the same services.

In Brazil, the legislated allocation of expenditure can be a barrier to improving the effectiveness and efficiency of expenditure. The monitoring functions of line ministries perform a crucial role in providing assurance on the efficacy of existing expenditure. However, the monitoring does not reveal in a systemic manner the areas where changes to the composition of expenditure may be warranted. An evaluation of the effectiveness of the monitoring functions and a spending review framework (Box 3.7) that is compatible with the budgetary institutions of Brazil are two areas where the government could initiate reforms to improve budgetary processes.

of direct funding and tax support can vary greatly between countries. Brazil is approximately in the middle of the distribution across countries but, at 0.12% of GDP, is below the OECD average of 0.18%.

Figure 3.7. Direct government funding and government tax support for business R&D, 2006 and 2018
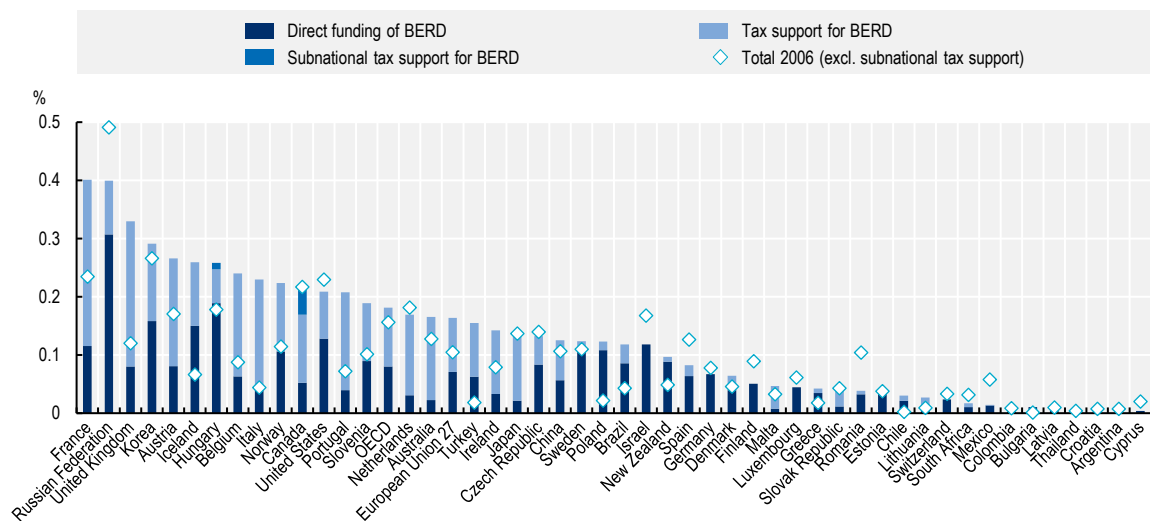
Source: OECD (2021[21]), *OECD Science, Technology and Innovation Outlook 2021: Times of Crisis and Opportunity*, https://doi.org/10.1787/75f79015-en.

From a budgetary perspective, legislated spending requirements, including the indexation of expenditure, limit the federal government's ability to increase expenditure on business transformation to a greater extent than has been possible in the period shown in Figure 3.7. Instead, a more accessible avenue to the government in the short term is the role that can be played by competition-friendly regulation to support such things as business transformation, as noted in the *OECD Economic Outlook* (OECD, 2021[22]).

Consistent with this review, the 2021 *OECD Economic Outlook* (OECD, 2021[22]) also notes that strengthening the medium-term fiscal framework contributes to boosting market confidence and private investment, which in turn can support business transformation.

Recommendations

The federal government of Brazil has a well-articulated legislative framework for budgeting. At the same time, Brazil is experiencing a deterioration in its aggregate budget measures from increases in public debt, the size of government and the budget deficit. Although budgetary measures to contain the spread of COVID-19 provide a current and prominent reason for some of the deterioration, systemic factors relating to the operation of the budgetary framework are a more fundamental cause.

The federal government has taken action to strengthen the budgetary arrangements by adopting a fiscal rule to contain the growth in expenditure. Brazil has also established an independent fiscal institution. The CoG and the Ministry of Economy have taken measures to improve co-ordination by establishing a Budget Execution Board that is composed of representatives from the CoG and the Ministry of Economy.

In this report, the OECD found that the involvement of the CoG in aspects of the federal budget process is well placed, notably in the strategic phase of the budget. The involvement is consistent with the majority of OECD countries. The OECD found that targeted reforms in the five areas below could build on the

reforms the federal government has already adopted. The five areas refer to OECD Budgetary Governance Principles 2, 8 and 9, as shown in the annex.

Recommendations

- Consider greater use of legislative reform to update and improve legislated public expenditures in order to support fiscal sustainability and other governmental objectives in the budget process.
  - o The CoG has a specialist role in the formulation of the federal budget because, through the presidency, it can advance policy initiatives that require legislative reform.
- Continue to strengthen the medium-term expenditure framework to improve the predictability of the federal budget by ensuring the framework applies to all federal revenues and expenditures and supports the operation of the fiscal expenditure rule.
  - o Strengthening the coverage and application of the medium-term expenditure framework is relevant to the information available to the Budget Execution Board (JEO) at the CoG.
- Broaden the application of the fiscal risk management framework and reporting regime to include potential budgetary impacts should a fiscal risk eventuate, and ensure line ministries implement fiscal risk management policies that align to the framework in the Ministry of Economy.
- Ensure that the JEO brings the outputs of the planning function in the CoG into the strategy phase of the budget process.
  - o In Brazil, the CoG has a well-developed planning framework; however many aspects of it are disconnected from the budget process. The government should make further efforts to ensure that there is co-ordination between planning and budgeting processes.
- Design and implement a spending review framework to assess the performance of existing expenditure relative to the policy objectives of that expenditure.
  - o This framework should be developed by the Ministry of Economy.
  - o The CoG should have a role in conducting spending reviews to ensure that federal expenditure is aligned to government priorities and to identify the legislative implications of any prospective change to the existing allocation of expenditure.

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Note

[1] Decree No. 9/982, 20 August 2019, Annex 1.

Annex 3.A. OECD Recommendations of the Council on Budgetary Governance

The OECD Recommendation of the Council on Budgetary Governance (2015[2]) contains ten principles. The principles were used to inform the analysis in this chapter and its conclusions.

1. Manage budgets within clear, credible and predictable limits for fiscal policy.
2. Closely align budgets with the medium-term strategic priorities of government.
3. Design the capital budgeting framework in order to meet national development needs in a cost-effective and coherent manner.
4. Ensure that budget documents and data are open, transparent and accessible.
5. Provide for an inclusive, participative and realistic debate on budgetary choices.
6. Present a comprehensive, accurate and reliable account of the public finances.
7. Actively plan, manage and monitor budget execution.
8. Ensure that performance, evaluation and value for money are integral to the budget process.
9. Identify, assess and manage prudently longer-term sustainability and other fiscal risks.
10. Promote the integrity and quality of budgetary forecasts, fiscal plans and budgetary implementation through rigorous quality assurance including independent audit.

4 Monitoring and evaluating priorities from the centre in Brazil

This chapter examines the capacities of the centre of government (CoG) to monitor and evaluate the performance of key policy priorities and programmes and to use this information to improve policy making and service delivery. It provides an in-depth assessment of the institutional framework for monitoring and evaluation (M&E). The chapter also analyses the quality of M&E and the use of M&E results.

Introduction

This chapter will focus on the CoG's capacities to monitor and evaluate the performance of key policy priorities and programmes by collecting and using information and evidence in the policy-making process. To this end, the chapter provides an assessment and recommendations on:

- The institutional framework for monitoring and evaluation (M&E) in Brazil, through an analysis of the CoG's practice, policy frameworks and guidelines, and the main actors involved, with a focus on strengthening the M&E of cross-cutting programmes.

- The quality of M&E, including quality assurance and control mechanisms, the definition of key national indicators, guidelines and practices to develop skills and capacities on M&E, and stakeholders' engagement mechanisms, with a focus on spreading and systematically using mechanisms.

- The use of M&E results, in particular the CoG's capacity to strategically integrate and manage performance information, with a focus on promoting access to high-quality data.

A robust M&E system is essential to achieve short-, mid- and long-term objectives, as mentioned in Chapter 2. When M&E reports information is fed back to policy makers and decision-makers, it can provide the necessary data and information to guide strategic planning, design and implement programmes and projects, and allocate and re-allocate resources in better ways (OECD, 2021[1]). Additionally, real-time monitoring provides a continuous stream of relevant and current data from which administrators can immediately identify serious problems and adjust policies in mid-course. Sound M&E can help identify barriers to policy implementation and ways to address them (OECD, 2019[2]). Moreover, M&E allows actors to learn from each other's experiences by providing tools to follow the development of others' activities. In addition to policy learning (i.e. increased understanding that occurs when policy makers compare one set of policy problems to others), M&E can also foster transparency and accountability by providing performance information to citizens on progress in achieving government objectives (Vági and Rimkute, 2018[3]). Though interconnected, M&E are distinct practices (as outlined in Table 4.1) and this is why it is important to distinguish between them (OECD, 2020[4]).

In Brazil, M&E definitions can be found in the *Guia Prático de Avaliação Ex Post* and the *Guia Prático de Análise Ex Ante*. Evaluation is also defined in a bill for the new Public Finance Law (currently Law No. 4.320/1964), which has been on the agenda of the CoG. Adopting a comprehensive definition of M&E in law would help define their objectives and actions to be taken to achieve them.

Table 4.1. Comparing policy monitoring and policy evaluation

Policy monitoring	Policy evaluation
Ongoing (leading to operational decision-making)	Episodic (leading to strategic decision-making)
Monitoring systems are generally suitable for the broad issues/ questions that were anticipated in the policy design	Issue-specific
Measures are developed and data are usually gathered through routinised processes	Measures are usually customised for each policy evaluation
Attribution is generally assumed	Attribution of observed outcomes is usually a key question
Because it is ongoing, resources are usually a part of the programme or organisational infrastructure	Targeted resources are needed for each policy evaluation
The use of the information can evolve over time to reflect changing information needs and priorities	The intended purposes of a policy evaluation are usually negotiated upfront

Source: Adapted from McDavid, J. and L. Hawthorn (2006[5]), *Program Evaluation and Performance Measurement: An Introduction to Practice*, Sage Publications, Inc., in OECD (2019[2]), *Open Government in Biscay, OECD Public Governance Reviews*, https://doi.org/10.1787/e4e1a40c-en.

As described in Chapter 1, monitoring is a key CoG function in Brazil and OECD countries. OECD data show that, in half of the surveyed countries (55%), CoGs are responsible for monitoring the implementation of government policy (OECD, 2018[6]). The OECD survey on policy evaluation (2018[7]) also finds that the CoG plays a crucial role in embedding a whole-of-government approach to policy evaluation (OECD, 2020[4]). For example, in 16 OECD countries (18 countries in total), the CoG's mandate includes the definition and update of the evaluation, while in 15 countries, it includes providing incentives for carrying out policy evaluation. The CoG serves the executive and plays a crucial role in ensuring that the government makes evidence-informed decisions, which a robust M&E system can help with. M&E is especially key for effective strategic planning, prioritisation and sequencing purposes for the CoG (Chapter 2). The success of any government programme partially depends on the ability of the CoG to oversee the quality of the policy-making process, from developing a policy to monitoring and evaluating its outcome (OECD, 2018[6]).

According to respondents to the OECD questionnaire, in Brazil, the main objectives of monitoring are: i) improving transparency; ii) verifying that policies are achieving the expected objectives and are in line with the needs and demands of the Brazilian people; iii) promoting organisational learning; and iv) enhancing the use of evaluation among federal units and agencies in order to provide better public services to society, with more efficiency and better compliance as well as best resource allocation.

As regards policy evaluation, one of the main objectives for conducting them is to assess public policies financed by direct spending or government subsidies, to measure the benefit generated for the citizen and to collect input to redirect or improve the design of public policies (Law No. 13.971/2019). In Brazil, policy evaluation is a principle of public administration (Article 37 of the constitutional amendment).

The chapter analyses the Brazilian institutional setup, identifies key challenges and suggests ways to improve the overall quality of the M&E mechanisms at the CoG.

Building a sound institutional framework for monitoring and evaluating policy priorities

A sound M&E system means that: both practices, monitoring and evaluation, are part and parcel of the policy cycle; they are carried out systematically and rigorously; and decision-makers use their results (Lázaro, 2015[8]). An M&E system entails:

- A solid institutional framework, based on the right legal, policy and organisational measures to support the performance of public policies.
- Mechanisms to promote the use of evidence and policy M&E by investing in public sector skills, policy-making processes and supporting stakeholder engagement.
- Mechanisms to promote the quality of policy M&E, for instance through developing guidelines, investing in capacity building and *ex post* review and control mechanisms (OECD, 2019[2]).

The Pluriannual Plan: A well-developed reporting system not used for real-time monitoring and decision-making

The Brazilian monitoring system has its main institutional anchorage in the Pluriannual Plan (*Plano Plurianual da União*, PPA), which establishes the mechanisms and practices for the majority of monitoring actions in Brazil. The PPA is a government planning instrument that defines the guidelines, objectives and goals of the federal public administration. As explained in Chapters 2 and 3, the PPA contains macroeconomic forecasts and fiscal objectives for a four-year period, which the government prepares within its first year of taking office and submits to Congress for approval. The four-year period of the plan means that the final year extends into the first year of the next governmental term, for the purpose of

providing continuity across electoral cycles. The PPA 2020-2023 contains 19 guidelines, 15 themes, 70 programmes, objectives, targets and indicators, and 328 intermediate results.

The monitoring process of the PPA 2020-2023 is co-ordinated by the Ministry of Economy, in particular the Secretariat for Evaluation, Planning, Energy and Lottery (*Secretaria de Avaliacao, Planejamento, Energia e Loteria*, SECAP), which provides methodology, guidance and technical support to achieve the objectives and targets stated in the plan. The plan contains the following type of programmes (Ministerio da Economia, 2020[9]):

- **Finalistic Programmes** are the main programmes to be monitored in the PPA. They portray the government's agenda, organised by selected public policies that guide governmental action.
- **Management Programmes**, used by all ministries, reflect the operational expenses of the agencies, in particular personnel expenses and administrative operational costs.
- One **Multi-Sectoral Agenda**, to promote cross-government co-ordination. In the case of the PPA 2020-2023, the one transversal agenda item is early childhood, which is co-ordinated through a specific working group.

The bodies responsible for the implementation of a programme (line ministries, agencies) must report twice per year on the implementation of the goals, intermediate results and Priority Pluriannual Investments associated with their respective programmes. In the case of multi-sectoral programmes, the responsible agency shall collect information on the objectives and goals of the other agencies. The monitoring report on the fiscal programmes, their attributes and the Priority Multiannual Investments are expected to be consolidated on an annual basis, submitted to the National Congress and made available on the Ministry of Economy's website (www.economia.gov.br). Therefore, the government of Brazil has established a structured and permanent process for monitoring the PPA, centred on the priority objectives of the federal government and its ministries (Ministerio da Economia, 2020[9]).

The definition of which intermediate results will be subject to reporting is the result of joint work by the line ministries and SECAP. According to Law No. 13.971/2019 (Article 22), the Institutional Strategic Plan (PEI) should be aligned with the PPA and national, sectoral and regional plans. The line ministry sends SECAP an indication of which attributes of the PEI – i.e. the institutional planning instrument that sets out a strategic vision and establishes priorities, objectives, goals and resource requirements of public sector bodies and agencies – present intermediate results for reaching the PPA goal and, together with SECAP, selects among them.

The agreed-upon results must be compatible with the ministry's operational capacity and budgetary and financial availability. There are three reporting events each year, whose deadlines, objectives and processes are outlined in Table 4.2.

With the aim of guiding the PPA monitoring process, the Monitoring Plan (*Plano de Monitoramento*) works as a guide for SECAP to address the main issues with line ministries. Its purpose is to record the main intermediate results that contribute to the achievement of the target in each programme, the main restrictions that need to be overcome and the measures needed to achieve each result and how SECAP will contribute to this process in co-ordination with ministries.

The explicit relationship between the Federal Development Strategy 2020-2031 (*Estratégia Federal de Desenvolvimento 2020-2031*, EFD 2020-2031) and the PPA takes place through the five axes, which are common to both plans. The results of the PPA programmes contribute to the achievement of the EFD's objectives but there is no systematic relationship between them. Thus, there is no monitoring of the evolution of the EFD's objectives based on the M&E of the PPA's programmes. The strategic dimension reflects the government agenda that the head of the executive branch, through their ministers, intends to implement. These are the priorities defined by the government summit and represent a translation of the commitments of the president-elect for the country. In the PPA 2020-2023, the strategic dimension was unfolded in two categories: guidelines and themes. From a conceptual point of view, the guidelines

represent the demands of the population taken over by the elected government and guide the construction of the PPA programmes. In turn, the themes, related to the new institutional structure of the federal government, correspond to the main sectoral areas to be mobilised to achieve the objectives included in the guidelines. In the PPA 2020-2023, the guidelines and themes are broken down into programmes, which have objectives and goals. It should be noted that the PPA 2020-2023 methodology does not provide the definition of goals and indicators for the guidelines and themes. This is because the guidelines express trajectories to be pursued, while themes express large areas, which constitute broad sectoral aggregations.

Table 4.2. Reporting events

	Deadline	Objective	Process
Definition of the intermediate results	Within 30 days after the publication of the 1st Decree of Budgetary and Financial Programming of the year.	• Agree, based on the annex of the decree that regulates Law No. 13.971/2019 and on the budgetary and financial availability of the agency, the intermediate results that will be delivered in the year. • Register or update the main restrictions and measures related to each agreed result. • Define the Monitoring Plan for the year.	After the bodies in charge of PPA's Finalistic Programmes have made compatible the PEI and the PPA, they will send information related to the annex of the Decree No. 10.321 of 15 April 2020 to SECAP, with the list of the main intermediate results. From this list and with the knowledge of the budget and financial availability of the agency, there will be a meeting to agree on the results and their attributes between SECAP and the sectoral body. The product of this meeting will be the Monitoring Plan. Once the plan is finalised, the Integrated Planning and Budgeting System (SIOP) will be opened to the organ for completion/actualisation of intermediate results and their attributes.
Progress tracking	6 months after the first event	• Track the progress of the agreed results and update the restrictions, measures and Monitoring Plan.	Monitoring meeting between the agency and SECAP.
Progress recording	60 days after the end of the financial year	Record the progress of the indicators and targets of the programme as well as the intermediate results and achievement of the programme objective. This information will be consolidated into the monitoring report to be sent to National Congress on an annual basis.	Monitoring meeting between the agency and SECAP and the agency fills out SIOP with the results obtained during the year.

Source: Author's own elaboration based on Ministerio da Economia (2020[9]), *Manual Técnico do PPA 2020-2023*.

The PPA represents one of Brazil's latest attempts at linking planning and budgeting by implementing medium- and long-term government planning, co-ordinating government actions, and setting guidelines, objectives and goals for the public administration to guide the allocation of public resources. Regarding priority multiyear investments, the PPA is the main source of information for the CoG, making it possible to track the progress of all 30 priority investments. The PPA is being improved with tools to make it more useful for decision-making, for example, according to the Constitutional Amendment No. 109 of 2021, Article 165 of the federal constitution now states that the PPA, Budget Guidelines Law (*Lei de Diretrizes Orçamentárias*, LDO) and Annual Budget Law (*Lei Orçamentária Annual*, LOA) shall observe, when appropriate, the results of the M&E of public policies. Additionally, PPA monitoring bulletins are sent to ministries (executive secretaries) and contain an analysis of the main monitoring results, seeking to encourage reflection on the areas to adopt measures aimed at achieving goals and improving public policies, for example:

- reallocation of budget resources between policies
- relocation of staff

- adjustments to the organisational structure
- change in the institutional arrangement of public policy (design and legal framework)
- ways to improve implementation
- review of the plan.

Nevertheless, in practice, the PPA works as a compliance and reporting tool and does not allow for the discussion of performance and/or how to overcome implementation barriers. As will be analysed below, there is no clear link between the PPA and the Civil Cabinet of the Presidency's (Casa Civil) monitoring of policy priorities. While the PPA has proven to be a useful tool for tracking public expenditure and informing on the achievement of programmes, further work can be done to link programme monitoring with outcome-oriented decision-making at the CoG.

Multiple actors with responsibility for monitoring and no clear alignment between them

In parallel with the monitoring system linked to the PPA, Casa Civil leads in the monitoring of presidential priorities. It has two special bodies with responsibilities for monitoring policy priorities:

- The Undersecretariat for Articulation and Monitoring (*Subchefia de Articulação e Monitoramento*, SAM) monitors the government's programmes and actions considered a priority by the president of the republic.
- The Undersecretariat for Analysis and Monitoring of Government Policies (*Subchefia de Análise e Acompanhamento de Políticas Governamentais*, SAG) selects public policies to carry out *ex ante* and *ex post* analysis with the responsible ministries in order to review and update them.

Casa Civil's instrument for the monitoring of projects is called Governa. The Governa system is software developed by Casa Civil with the objective to digitalise project management at the federal level. It mainly works as an internal management tool, though some users outside Casa Civil have access to some of the functionalities of the system. Within Governa, line ministries need to provide data on different projects under implementation, which includes all priority projects of the federal government and all PPA projects. Senior managers from Casa Civil validate this information. Every three months, ministers receive feedback regarding the advancement of every priority project and discussions take place. This system was affected by the COVID-19 pandemic so Governa is being adapted as a result. This was not surprising as the president's portfolio needs to be constantly revised, especially after a pandemic.

Governa is a management information system that integrates and displays different federal projects (including PPA) on a single platform. However, the system is not linked with any performance framework and impact information that supports prioritisation at the CoG and, therefore, does not provide the basis for a structured monitoring and performance dialogue around cross-cutting policy priorities. In addition, as discussed in the previous chapters, the policy priorities defined by the presidency and supported by SAM and SAG are in several cases not translated into the PPA. This is explained, to some extent, by the nature and design of the PPA and by the budget rigidity explained in the previous chapters: the incoming government does not have the capacity to align the planning and budgetary system to their own priorities, resulting in the creation of new planning and monitoring structures. Another explanation can be found in the structure of the PPA. While it is a useful monitoring tool for tracking expenditure and some intermediate results can be shared by multiple ministries, for instance in the case of the Oceans, Coastal Zone and Antarctica project (*Oceanos, Zona Costeira e Antártica*) and also in the Prevention and Control of Deforestation and Fires in Biomes project (*Prevenção e Controle do Desmatamento e dos Incêndios nos Biomas*), the plan mainly focuses on sectoral initiatives. These intermediate results represent an interesting example of integrated policy goals and common reporting but they do not necessarily provide the framework for active collaboration and a performance dialogue among different government agencies on a very limited set of cross-cutting policy priorities to be steered or managed by the CoG.

The complexity of the planning and prioritisation system has led to overlapping monitoring units

As explained in Chapter 2 on planning, Brazil has a long-standing planning culture. Nevertheless, as Chapter 2 also underscores, this has also created some challenges related to the multiplication of planning and monitoring structures in government. There was a general consensus among stakeholders on the lack of clarity of who is in charge of monitoring policy priorities: for some SAM in Casa Civil, others mentioned SAG while others made reference to the Ministry of Economy, in particular SECAP and the Delivery Unit, which was created to monitor the priorities of the Ministry of Economy and ultimately the priorities related to the management of the pandemic (described in Chapter 2).

This overlap between Casa Civil and the Ministry of Economy's functions occurs in other countries too. In these circumstances, line ministries usually tend to focus more on the Ministry of Economy's process for economic reasons. As the Ministry of Economy – or similar – usually manages finances, line ministries tend to focus their efforts on aligning their actions to their planning and requests. Such an overlap generates a multiplication of reporting systems, causing efficiency loss and fragmentation. As mentioned in Chapter 1, co-ordination is key for a well-functioning Brazilian CoG due to its high institutional fragmentation which can lead in some cases to mandate overlaps or duplications. The Brazilian CoG could consider refining co-ordination mechanisms of monitoring systems within the CoG as well as between the CoG and external actors to avoid overlaps and waste of resources. More specifically, they might consider establishing greater clarity in the definition of the roles and tasks that Casa Civil and the Ministry of Economy have in monitoring, as mentioned in Chapter 2. Additionally, Brazil can consider co-ordination of cross-cutting priorities. The United States (US) performance framework (led by the Office of Management and Budget within the Executive Office of the President) includes, among its Cross-Agency Priority (CAP) Goals, "mission-support" goals which represent a good example of the co-ordination of cross-cutting priorities aimed at improving agencies performance and promoting active collaboration among multiple agencies (Box 4.1).

Box 4.1. United States: Mission-support goals under Performance.gov

Performance.gov is a window into federal agencies' efforts to deliver a smarter, leaner and more effective government. This site fulfils the statutory requirements for an online centralised performance reporting portal required by the Government Performance and Results Act (GPRA) Modernization Act of 2010. The site provides the public, agencies, members of Congress and the media a view into the progress underway to cut waste, streamline government and improve performance.

Performance.gov communicates the goals and objectives the federal government is working to accomplish, how it seeks to accomplish those goals and why these efforts are important. All cabinet departments and other major agencies have pages on Performance.gov. Each agency's page provides an overview of the agency, its mission, priority goals to be achieved, the public officials and civil servants responsible for their implementation and links to its strategic and performance plans and reports.

The federal government sets both priority goals – cross-agency and within agencies – that are near-term, implementation-focused priorities of leadership as well as strategic objectives that are comprehensive of agencies' missions.

Long-term in nature, Cross-Agency Priority (CAP) Goals are a tool used by leadership to accelerate progress on a limited number of presidential priority areas where implementation requires active collaboration among multiple agencies. CAP Goals drive cross-government collaboration to tackle government-wide management challenges affecting most agencies. As a subset of presidential priorities, these goals are used to implement the president's Management Agenda and are

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complemented by other cross-agency co-ordination and goal-setting efforts. CAP Goals are required to be set every four years but can address goals requiring longer timeframes. Performance targets will be reviewed and considered for updates at least annually with the President's Budget. When CAP Goals have achieved a level of maturity and implementation that enables those teams to demonstrate and scale the impact and institutionalise these reforms, it becomes appropriate to refocus their activities from planning toward demonstrating results. As such, these goals will continue to be tracked on Performance.gov but reporting will shift from detailed milestones and action planning to report on implementation outcomes. The re-categorisation of these goals will be noted on each CAP goal page.

CAP Goals include outcome-oriented goals that cover a limited number of cross-cutting policy areas as well as "mission-support" goals addressing areas such as those related to improving agency performance. Previous mission-support goals included:

- **Effectiveness**: Deliver smarter, better, faster service to citizens (customer service; smarter information technology [IT] delivery).
- **Efficiency**: Maximise the value of federal spending (category management; shared services; benchmark and improve mission-support operations).
- **Economic growth**: Support innovation, economic growth, and job creation (open data; lab-to-market).
- **People and culture**: Deploy a world-class workforce and create a culture of excellence.

Source: US Government (n.d.[10]), *Performance.gov*, https://www.performance.gov (accessed on 12 May 2022).

The creation of the Public Policy Monitoring and Evaluation Council (CMAP) represents a step forward in the creation of an evaluation system

In the area of policy evaluation, Brazil's evaluation system is the result of more than 30 years of governance reforms. They were established in Brazil in the 1990s and the adoption of these procedures was embedded in the 1988 Constitution's provisions (Articles 165, 74, 37), which establish that the executive, legislative and judiciary's internal control systems must aim "to evaluate the fulfilment of the goals foreseen in the multiannual plan, the implementation of government programmes and Union budgets". The internal control system is also responsible for conducting evaluations of government programmes (Article 88). According to the government of Brazil, the main challenges faced in promoting an evaluation culture are:

- the limited availability of data related to some public policies
- the general confusion between M&Es
- the underdeveloped culture of evaluation inside line ministries
- the misalignment of the CoG and line ministries regarding the evaluation process
- the limited availability of human resources
- the insufficient training in policy evaluation tools.

To tackle these challenges, Brazil created in 2019 (by Decree No. 9.834) the Public Policy Monitoring and Evaluation Council (CMAP), a governing body of policy evaluation responsible for evaluating public policies financed by direct expenditures and government subsidies (selected annually from the PPA Finalistic Programmes). CMAP also monitors the recommendations resulting from these evaluations and is made up of the executive secretaries of the Ministry of Economy, which co-ordinates it, Casa Civil and the Office of Comptroller General. As CMAP involves key central government entities, its establishment is a step forward in systematising M&E across government. Until the establishment of CMAP, a single entity with the sole responsibility for evaluating cross-cutting goals did not exist but, there were separate bodies

responsible for evaluating the PPA, such as the Planning and Investment Secretariat of the former Ministry of Planning and the Federal Budget Secretariat. Box 4.2 explains in detail how CMAP functions.

On top of the newly created CMAP, the main actors responsible for evaluation are:

- The **Special Secretariat for Treasury and Budget** (SETO) within the **Ministry of Economy**, responsible for, among other competencies, the evaluation of the socio-economic impacts of federal government policies and programmes and the preparation of specific studies for the formulation of policies.

- The **Secretariat for Evaluation, Planning, Energy and Lottery** (SECAP) of the **Ministry of Economy**, responsible for supervising the evaluation process carried out by members or supporters of CMAP, or externally.

- The **General Secretariat** (SG) is responsible for acting in the formulation of proposals and the definition, evaluation and supervision of the actions of the state's modernisation programmes.

- The **Office of the Comptroller General** (*Controladoria General da União*, CGU), through its **Federal Secretariat for Internal Control**, the central body of the Federal Internal Audit System in the executive branch of the federal government. The CGU performs assessment and consulting services focused on public policies and aimed at supporting the evaluation of the achievement of the goals established in the Pluriannual Plan (PPA), the execution of government programmes and the office's budget, among other objectives.

- The **National School of Public Administration** (ENAP), the **Institute of Applied Economic Research** (IPEA) and the **Brazilian Institute of Geography and Statistics** (IBGE) are bodies that support, within the scope of their competencies, the development of evaluation and research activities of CMAS and CMAG.

Box 4.2. The functioning of CMAP

1. This council approves the criteria for the selection of public policies to be evaluated, observing the aspects of materiality, criticality and relevance, among others, and approves the annual list of public policies to be evaluated and their changes, as well as the evaluation annual plan. Each *ex post* evaluation cycle has 4 phases that last 24 months overall. Thus, the cycle of the reference year (t) begins in October of the previous year (t-1) and ends in September of the following year (t+1) (Ministerio da Economia, 2020[9]).

2. Evaluations and assessments are presented to managers who, in turn, are required to submit an action plan. This is meant to make assessment effective in transforming policies but is often disregarded by managers. There is a need to create incentives for managers to implement recommendations.

3. The council meets on an ordinary basis every six months and on an extraordinary basis whenever called by the co-ordinator. The structure of CMAP comprises:

   o The Direct Spending Monitoring and Evaluation Committee (CMAG), with the purpose of providing technical support to the attributions of CMAP with regard to public policies financed by direct spending.

   o The Committee for Monitoring and Evaluation of Government Grants (CMAS), with the purpose of providing technical support to the duties of CMAP with regard to public policies financed by union subsidies (*subsidios da uniao*).

4. CMAP committees prepare and submit to CMAP for approval:

   o The criteria for the selection of public policies to be evaluated.

o The annual list of public policies to be evaluated, according to the established criteria, and the evaluation schedule.

o Benchmarks for public policy evaluation methodologies.

o The recommendations of technical criteria for the preparation of feasibility studies for public policy proposals to the management bodies.

o The proposed changes to the evaluated public policies.

5. Additionally, they evaluate the selected public policies, with the collaboration of the management bodies of these policies or in partnership with public or private entities and monitor the implementation of the evaluation's recommendations (task executed by the Office of the Comptroller General). They also request information on public policies from line ministries, in particular those selected for evaluation by CMAP. Last, they ensure the active transparency of its actions and disclose to the managing bodies the methodological references and the criteria approved by the council and edit the acts necessary for its exercise of power.

6. Figure 4.1 describes the Brazilian process and timeline for policy evaluation.

Figure 4.1. Evaluation timeline in Brazil
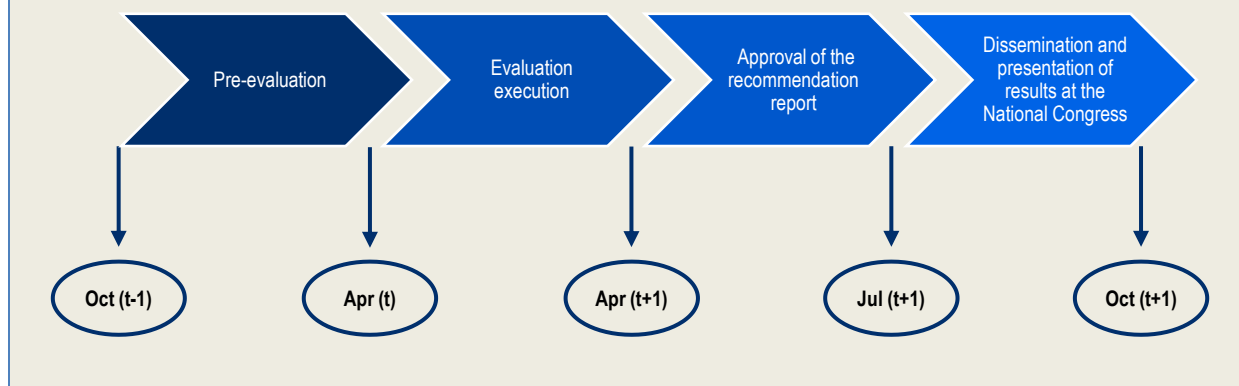
The presence of well-defined policy evaluation mandates does not imply *per se* the successful development of an evaluation system across government. Factors such as the political system, public administration cultures and the rationale for evaluation shape the development and characteristics of evaluation cultures (OECD, 2020[4]). A successful evaluation system, in which evaluations are systematically used to improve public governance practices, policy making and service delivery, requires a framework actively promoting the quality of evaluations and the use of their results in decision-making processes. This entails modifying factors outside the sphere of evaluation, such as the availability of data, the co-ordination instruments across government and the mechanisms for stakeholder engagement, among others (OECD, 2020[11]).

Improving the quality of M&E

A sound legal framework for M&E is not enough. There should be mechanisms in place to control and improve the quality of M&E practices. High-quality M&E generates robust and credible results that can be used with confidence, enabling policies to be improved. Quality M&E also has the potential to increase policy accountability as it can provide trustworthy evidence on how resources were spent, what benefits were achieved and what the returns were. Conversely, poor-quality M&E carries the risk of providing unfit evidence, or evidence that is subject to bias and undue influence. Poor-quality M&E also implies that a

policy that is ineffective, or even harmful, might either be implemented or continue to be. Finally, opportunities to use public funds more effectively may be missed (OECD, 2020[4]).

Quality of monitoring: Lack of quality assurance mechanisms beyond the PPA and challenges in the interoperability of data

Some countries have created mechanisms to ensure that monitoring is properly conducted, that is to say that the process of collecting and analysing respects certain quality criteria. In order to do so, countries have developed quality assurance and quality control mechanisms. Box 4.3 explores in more detail the difference between both.

Box 4.3. Quality assurance and quality control in monitoring

Quality assurance mechanisms ensure that monitoring is properly conducted. To achieve this, countries have developed quality standards for monitoring. These standards and guidelines serve to impose a certain uniformity in the monitoring process across government (Picciotto, 2007[12]).

While some governments may choose to create one standard, others may consider it more appropriate to adopt different approaches depending on the different purposes of data use (Van Ooijen, Ubaldi and Welby, 2019[13]). Data cleaning activities or the automating of data collection processes can also be considered quality assurance mechanisms. Some countries have invested in the use of artificial intelligence and machine learning to help identify data that deviate from established levels of quality (Van Ooijen, Ubaldi and Welby, 2019[13]).

In various countries, quality control mechanisms have also been developed. Mechanisms for quality control ensure that the data collection and analysis have been properly conducted to meet the predetermined quality criteria. While quality assurance mechanisms seek to ensure credibility in how the evaluation is conducted (the process), quality control tools ensure that the end product of monitoring (the performance data) meets a certain standard for quality. Both are key elements to ensuring the robustness of a monitoring system (HM Treasury, 2011[14]). Quality control mechanisms can take the form of audits. Approaches that seek to communicate performance data or make them available to public scrutiny can also be included in quality control efforts in that multiple eyes are examining the data and potentially confirming the quality (Van Ooijen, Ubaldi and Welby, 2019[13]).

Source: OECD (2021[1]), *Monitoring and Evaluating the Strategic Plan of Nuevo León 2015-2030: Using Evidence to Achieve Sustainable Development*, https://dx.doi.org/10.1787/8ba79961-en; Picciotto, S. (2007[12]), "Constructing compliance: Game playing, tax law, and the regulatory state", https://doi.org/10.1111/j.1467-9930.2007.00243.x; Van Ooijen, C., B. Ubaldi and B. Welby (2019[13]), "A data-driven public sector: Enabling the strategic use of data for productive, inclusive and trustworthy governance", https://dx.doi.org/10.1787/09ab162c-en; HM Treasury (2011[14]), *Magenta Book: Central Government Guidance on Evaluation*, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/879438/HMT_Magenta_Book.pdf.

PPA monitoring benefits from a number of systematic quality assurance and control mechanisms. Among these:

- The **PPA Technical Manual** gives guidance towards carrying out quality monitoring processes. It establishes specific criteria and objectives for monitoring the PPA. It is worth noting that the PPA Technical Manual includes guidance relating to the Monitoring Plan and a model of the plan in the annex, which can help foster quality monitoring processes for the PPA.

- The **Integrated Planning and Budgeting System** (SIOP) is a tool that gathers information about the implementation of the PPA programmes, with their respective objectives, goals, indicators and intermediate results. It involves all government entities responsible for these respective attributes (Ministerio da Economia, 2020[9]). This goes for Brazil's PPA – the baseline for government planning and budgeting – which is available transparently in open data format. That includes data about its structure, goals and initiatives, as well as the indicators used for its assessments.[1]

Beyond the scope of the PPA, there are no quality assurance mechanisms in place for monitoring (OECD, 2017[15]), potentially leading to low-quality monitoring outside of the PPA. Quality assurance is key to ensuring the robustness of evaluations so the Brazilian government should also consider developing quality assurance mechanisms for monitoring systems outside of the PPA (OECD, 2020[4]).

One element affecting the quality of monitoring is the variety of data management systems within the Brazilian government and the resulting challenges related to interoperability. Information sharing and joint data collection of the different units and institutions were reported to be challenging for the CoG's functioning. Ideally, existing data provided to the CoG creates "one version of the truth" and is effectively used to improve performance. Stakeholders interviewed during this project suggested Brazil has a large volume of data and registers but access to these platforms for monitoring and evaluation is challenging as they were largely developed by each agency for a specific purpose. In addition to data provided by public institutions, various CoG institutions started to obtain data from IPEA.

For example, IPEA has a private data-sharing platform where researchers can access a variety of data. Additionally, it established a system through which, to have access to data, in the pre-assessment meetings, entities need to indicate which data they need and make formal requests to different ministries. The CGU also tried to build a similar platform internally. Nevertheless, there is no communication mechanism to avoid the formation of information silos across different institutions.

This happens despite the existence of open data policies that make open access compulsory for evaluation and decision-making processes. Decree No. 8.777 (2016) makes it mandatory for every government body to publish an Open Data Plan, to improve the availability of the government's datasets in open data standards. The other main instruments that govern the Open Data Policy are Decree No. 9.903 of 2019 and Resolution No. 3 of the INDA Steering Committee (*Comite Gestor da INDA,* CGINDA).

Some initiatives have nevertheless been put in place to integrate these various data management systems. Among these, the Integrated Planning-Budget System (SIOP) gathers monitoring information and the Institutional Strategic Planning will be published on the website, so data will be transparent for all stakeholders. SIOP is a tool that gathers information on the implementation of the programmes, with their respective objective, target, indicator and intermediate results, and involves all of the government entities responsible for these attributes.

Additionally, aware of the need to improve the coherence of digital services provision across the federal administration, the Brazilian government launched the Digital Citizenship Platform (*Plataforma de Cidadania Digital*) in December 2016. The cross-cutting initiative is focused on transforming the delivery of public services online through the improvement of the Services Portal (*Portal de Serviços*), the development of a unique digital authentication system and an increase in the number of fully transactional services. This will better allow the evaluation of citizens' satisfaction with digital services and improve the global monitoring of digital service delivery (OECD, 2018[16]).

Evidence from the fact-finding mission suggests that the Brazilian CoG could consider strengthening its capacity to integrate and manage performance information through the creation of dialogue platforms, i.e. mechanisms that enable policy and decision-makers to engage on a regular basis across institutions, where integration among different public bodies can happen, to avoid the existing silos effect. Building centralised access to data could help achieve a clear M&E mechanism that works across institutions. By creating better access to data, the use of data-driven reviews could be incremented (Box 4.4).

> **Box 4.4. Data-driven reviews**
>
> Data-driven reviews assess data on progress, typically against priority goals, and can be a powerful tool at the CoG. Using data to regularly track progress allows for a continued focus on priorities that does not fade after major policy announcements. Additionally, the use of data-driven reviews can create a learning culture that aims at improving knowledge of what works and how to improve the implementation of programmes.
>
> Successful data-driven reviews require a clear focus on progress towards the goals and clearly defined priority goals, as well as data and sophisticated analytical skills to interpret data and present solutions for adjusting the identified issues. One of the major obstacles to data-driven reviews are limits of access, availability, sharing and quality of data across governments. Thus, it is important to identify the range of existing data that could be leveraged for data-driven reviews without having to create a new burden. Additionally, some line ministries could perceive negatively scrutiny from the CoG on implementation. Thus, for data-driven reviews to be successful, the CoG should persuade line ministries that data-driven reviews' goal is to assist with better implementation rather than just creating stronger forms of accountability.
>
> Source: Brown, D., J. Kohli and S. Mignotte (2021[17]), "Tools at the centre of government: Research and practitioners' insight".

Producing quality indicators is still a challenge for Brazil

In general, indicators act as feedback mechanisms for governments to know what is working and what needs to be improved and they connect activities to objectives, strategic goals and ultimately the mission (OECD, 2017[15]). Producing quality indicators is still a challenge for Brazil, mainly due to a lack of data interoperability, competencies and guidance on assessing the quality of indicators, and time lag of available data (it is common for the information made available through indicators to be outdated).

Specifically, there is a lack of clarity regarding key performance indicators (KPIs) and/or key national indicators (KNIs). KPIs are those performance indicators that aim at measuring the progress towards meeting the highest-level goals. KPIs that focus on a broad and balanced perspective of the organisation can offer great insight into its functioning and be a helpful tool for performance management (EC, 2020[18]). While in some countries considered as KPIs, KNIs being part of a strategic planning system and referring to government activity, in others, KNIs are based on traditional macroeconomic indicators, developed by national statistical services (INTOSAI, 2013[19]).

As part of its EFD, IPEA has defined in 2020 a set of KNIs based on broad socio-economic goals. Some of them are for instance the Human Development Index or the World Economic Forum (WEF) Global Competitiveness Index. While these types of indicators can provide a broad understanding of how Brazil is performing in socio-economic areas, they do not help to measure government performance or, more specifically, how government policies are contributing to improved outcomes. There is no clarity on how these indicators are going to be used to improve policy performance in Brazil.

In addition, key stakeholders from the government of Brazil had contrasting views about the existence or not of KPIs and KNIs, which shows that there is limited ownership and socialisation of the current KNIs and a lack of clarity about their potential use to assess government performance. There was no consensus about which would be the body in Brazil in charge of developing KPIs and, most importantly, who should be in charge of monitoring them. While some actors have expressed that the PPA's indicators are the KPIs that the government uses to measure success in the implementation of public policies, other bodies have mentioned KNIs developed in the framework of the EFD. Overall, the main challenge identified by the

government of Brazil is to select a few indicators that are recognised, have a reliable statistical base and data that can be compared with indicators used by other countries.

As discussed in the previous chapters, the development of a performance framework at the CoG would facilitate a better organisation of CoG efforts around a limited set of priorities and indicators. Without a clear systematic framework which allows discussion on performance, the development of KPIs might be a futile endeavour, as no mechanisms will exist to effectively identify success factors, implementation barriers and promote organisational learning oriented to outcomes. The National Performance Framework of Scotland (Box 4.5) constitutes a good example of integrating KPIs into a broader performance framework.

Additionally, as mentioned in Chapter 3, Brazil does not carry out performance budgeting as a general practice. Consequently, the KPIs will not be able to measure spending performance, nor can they be used to link spending performance to the achievement of strategic planning objectives. This is in line with the general siloed approach in this area, which often results in limitations on the effectiveness of the M&E system overall. Brazil would like to consider developing integrated efforts to link, in the future, performance budgeting to a set of KPIs.

Box 4.5. The National Performance Framework of Scotland

The National Performance Framework of Scotland offers a goal for the Scottish society to achieve. To help achieve this purpose, the framework sets National Outcomes that reflect the values and aspirations of the people of Scotland, which are aligned with the United Nations Sustainable Development Goals and help to track progress in reducing inequality. These outcomes include:

- "We have a globally competitive, entrepreneurial, inclusive and sustainable economy", in regard to the Scottish economy.
- "We are healthy and active", in regard to health.
- "We respect, protect and fulfil human rights and live free from discrimination", in regard to human rights.

Each National Outcome has a set of 81 outcome-level indicators updated on a regular basis to inform the government on how their administration is performing concerning the framework. A data dashboard where citizens can access data on these indicators is available on the Scottish Government Equality Evidence Finder website.

Source: Government of Scotland (2020[20]), *National Performance Framework*.

Finally, while involving a technical body such as IPEA in the definition of indicators is aligned with OECD good practice, the lack of clarity about the existence or not of KPIs among key CoG stakeholders is an indication of their lack of socialisation/ownership within and outside the administration. Increasing stakeholder engagement in the development of KPIs can increase their legitimacy as well as their quality, as stakeholders may sometimes be better placed in order to identify which dimensions of change should constitute the focus of attention (DG NEAR, 2016[21]).

Concerning the quality of indicators, a number of guidelines on producing quality indicators exist in Brazil, but they are not systematically used. These include:

- The Federal Court of Accounts – Brazil (*Tribunal de Contas da União*, TCU) 2010 *Performance Audit Manual* elaborates on challenges managers may face in creating performance information, including inadequate or unreliable information systems as well as the difficulty in linking outcomes

to specific policies or actions (TCU, 2010[22]). The manual offers general considerations for assessing the quality of indicators (OECD, 2017[15]).

- The *Guide for Strategic Management* (*Guia técnico de Gestão Estratégica*), elaborated by the Special Secretariat for Debureaucratisation, Management and Digital Government (*Secretaria Especial de Desburocratização, Gestão e Governo Digital*) within the Ministry of Economy, which provides recommendations for the formulation of indicators, especially for Institutional Strategic Plans (PEIs).

- The Secretariat for Evaluation, Planning, Energy and Lottery (SECAP) *Guidelines of Indicators* of the PPA 2020-2023. These guidelines have the following objectives:

  o Present a theoretical-conceptual review of indicators.

  o Assist line ministries and agencies in choosing the most appropriate indicators for the M&E of its PPA 2020-2023 programmes.

  o Encourage and induce the use of indicators to improve programme governance and actions, considering the aspects of efficiency and, above all, effectiveness.

Despite the existence of these guidelines, one of the main barriers has to do with the lack of competencies in government institutions for the definition and analysis of KPIs. The Office of Comptroller General (CGU), for example, is trying to establish indicators but is encountering difficulties in doing so. The Public Policy Monitoring and Evaluation Council (CMAP) is working to establish a set of indicators based on the results of some evaluations but also as a way to generate evidence that can support decision-making in the budget cycle. Thus, institutions sometimes reach for support in the design of indicators from external institutions such as the National School of Public Administration (ENAP).

Last, some entities are publishing their indicators. The Minister of Economy, for example, will soon publish its indicators on its website. Nevertheless, even when indicators are publicly available, this does not ensure effective communication to the larger public.

Quality of evaluations: Guidelines on policy evaluation and other mechanisms to promote quality

Like the majority of countries (20 out of 31 countries, of which 17 are members of OECD) (OECD, 2020[4]) Brazil has developed guidelines that seek to address both the technical quality and good governance of evaluations. Guidelines developed by countries address a wide variety of specific topics including: the design of evaluation approaches, the course of action for commissioning evaluations, planning out evaluations, designing data collection methods, evaluation methodologies or the ethical conduct of evaluators. Table 4.3 gives an overview of the different quality standards, in terms of governance and quality that OECD and non-OECD member countries have included in their guidelines.

Guidelines on policy evaluation and other mechanisms to promote quality are available to the Brazilian CoG:

- The *Practical Guide for Ex Ante Analysis* (*Guia Prático de Análise Ex Ante*) (Ipea, 2018[23]) includes useful guidance on the following matters:

  o When an *ex ante* analysis should be carried out and who has the competencies to execute it. It also includes a checklist and practical examples for *ex ante* analysis.

  o Technical information related to logical models, creation of indicators and SWOT (strengths, weaknesses, opportunities, threats) analysis.

- o Information on the objectives of budgetary and financial analyses, implementation strategies, strategies to build confidence and support, general strategies on monitoring, evaluation and control, and measurement of economic and social return. Although this information is all useful to the design of a policy, including its evaluation, it does not provide practical guidance regarding the execution of quality *ex ante* evaluation processes.

- The *Practical Guide for Ex Post Analysis (Guia Prático de Análise Ex Post)* (Ipea, 2018[24]) is intended to be a reference for the CMAG (for budgetary policies that it evaluates) and the CMAS (for public policies financed by the union's subsidies). This guide provides:

  - o A definition of public policy evaluation, public policies and monitoring. It also clearly states the importance to distinguish monitoring from evaluation practices.

  - o Examples of M&E systems in other countries.

  - o A figure detailing a chronologic and co-ordinated evaluation process: selection of public policies to be evaluated, execution of evaluation, presentation of results and propositions for improvements, pact for improvements to be made in public policy, implementation of improvements and finally the improvement of the public policy.

  - o A description of a federal government information and data system, such as the Govdata platform,[2] and its legal framework.

  - o A list of steps to manage information for the integration of policy evaluation.

  - o Information on different types of evaluation (evaluation of results, impact, efficiency, etc.) and their objectives.

  - o Information on the link between evaluation and budgetary management and requirements.

  - o Technical information for carrying out evaluations, such as a step-by-step guide to realise executive evaluations, evaluations of design, implementation, governance of public policies, results, impact and economic and social return evaluations (with examples).

- The *Brazilian Regulatory Impact Analysis Guidelines (Guia de Análise de Impacto Regulatório)* (SEAE, 2020[25]) is an example of a useful document for driving quality evaluations. In June 2008, the Brazilian government issued its first *Regulatory Impact Analysis (RIA) Guidelines* (published as *RIA Guidebook*). It is co-ordinated by the Undersecretariat for Analysis and Assessment of Government Policies (SAG) (Guimaraes, 2020[26]). In the scope of the *RIA Guidebook*, SAG has also worked with the Ministry of Finance and the Ministry of Planning (which both merged under the Ministry of Economy in 2019).

  - o With regards to stakeholder engagement, the guidelines stress the importance of public consultations during the RIA process and provide recommendations on when these should occur (Guimaraes, 2020[26]). Stakeholder engagement has been one of the key concerns of SAG and several other regulatory bodies, which recommend occurrence during two moments of the RIA process: before the new rule is drafted or amended and after the RIA report is agreed upon.

  - o They refer to the Magenta Book[3] to describe different types of evaluation (i.e. process, impact and economic evaluations) and how stakeholders should be engaged in each (Guimaraes, 2020[26]).

  - o They also make a clear distinction between *ex ante* and *ex post* M&E (Guimaraes, 2020[26]).

  - o They draw attention to Regulatory Outcome Evaluation (ROE), which they define as "the systematic evaluation process of an intervention to determine whether its objectives have been achieved" (SEAE, 2020[25]) and describe as a form of *ex post* evaluation. They oppose it to RIA, a "form of *ex ante* policy analysis" and stress that ROE should not be confused with RIA's inspection of the monitoring process. As for ROE, or *ex post* RIA, the guidelines also state when an ROE should be conducted, i.e. the different cases in which they should be conducted and the timing for their conduction.

Table 4.3. Quality standards included in evaluation guidelines

	Technical quality of evaluations						Good governance of evaluations		
	Identification and design of evaluation approaches	Course of action for commissioning evaluations	Establishment of a calendar for policy evaluation	Identification of human and financial resources	Design of data collection methods	Quality standards of evaluations	Independence of the evaluations	Ethical conduct of evaluations	None of the above
Australia	○	○	○	●	○	○	○	○	○
Austria	○	○	○	●	●	○	○	○	○
Canada	●	○	○	○	●	●	●	●	○
Colombia	●	●	○	○	○	○	●	●	○
Costa Rica	●	●	●	●	●	●	●	●	○
Czech Republic	●	○	○	○	●	●	●	●	○
Estonia	●	●	○	●	●	●	●	●	○
Finland	○	●	●	○	○	●	●	●	○
France	●	○	○	○	○	○	○	○	○
Germany	●	●	●	●	●	●	●	●	○
Great Britain	●	○	●	●	●	●	●	●	○
Greece	●	●	●	●	●	●	●	○	○
Ireland	●	○	○	○	●	●	●	○	○
Italy	○	●	○	●	○	○	●	○	○
Japan	●	○	●	○	●	●	○	○	○
Korea	●	○	●	○	●	●	○	○	○
Latvia	●	●	●	●	●	●	○	○	○
Lithuania	●	○	○	●	●	○	●	○	○
Mexico	●	●	●	○	○	●	●	●	○
Netherlands	○	○	○	○	○	●	○	○	○
New Zealand	●	●	○	●	●	●	●	●	○

	Technical quality of evaluations						Good governance of evaluations		
	Identification and design of evaluation approaches	Course of action for commissioning evaluations	Establishment of a calendar for policy evaluation	Identification of human and financial resources	Design of data collection methods	Quality standards of evaluations	Independence of the evaluations	Ethical conduct of evaluations	None of the above
Norway	●	○	○	●	●	○	○	○	○
Poland	○	○	●	○	●	●	●	○	○
Portugal	○	●	○	○	○	○	○	○	○
Slovak Republic	●	○	○	○	○	●	●	○	○
Spain	●	●	○	●	○	●	●	●	○
Switzerland	○	○	●	●	●	●	●	●	○
United States	●	○	●	●	●	●	●	●	○
OECD total									
● Yes	**20**	**12**	**12**	**15**	**18**	**20**	**19**	**13**	**0**
○ No	**8**	**16**	**16**	**13**	**10**	**8**	**9**	**15**	**27**
Argentina	○	●	●	○	●	○	○	○	○
Brazil	●	●	○	●	●	●	●	○	○
Kazakhstan	○	○	●	○	○	○	○	○	○

Note: n=31 (28 OECD member countries). Eleven countries (9 OECD member countries) answered that they do not have guidelines to support the implementation of policy evaluation across governments. Answers reflect responses to the question: "Do the guidelines contain specific guidance related to the: [see column headings] (Check all that apply)".

Source: OECD (2020[4]), *Improving Governance with Policy Evaluation: Lessons From Country Experiences*, https://doi.org/10.1787/89b1577d-en.

The *Practical Guide for Ex Ante Analysis* (Ipea, 2018[23])and the *Practical Guide for Ex Post Analysis* (Ipea, 2018[24])are provided by Casa Civil, with the collaboration of the Institute of Applied Economic Research (IPEA), the Ministry of Economy, the Office of the Comptroller General (CGU) and other line ministries, and have been approved by the Inter-ministerial Governance Committee (CIG). They can be used by other actors than CMAP (CMAG/CMAS). It should be noted that all evaluations submitted to CMAP must follow the guidelines of the *Practical Guide for Ex Ante Analysis* and/or the *Practical Guide for Ex Post Analysis* for the evaluation of public policies.

The CGU performs consulting assessment services, within the scope of its role of internal audit, in accordance with the Technical Reference (Normative Instruction SFC/CGU No. 3, of 9 June 2017). The Technical Reference, together with the manual of technical guidelines for the governmental internal audit activity of the Federal Executive Branch (Normative Instruction SFC/CGU No. 8, of 6 December 2017), provide a framework for assessments of various objectives evaluated within the scope of internal audit activities, as well as serving as a subsidy to the assessment work conducted by its teams within the scope of CMAP.

Additionally, during the last cycle, CMAP has improved evaluation networks and strengthened the roster of evaluators. Evaluators have different backgrounds, such as research institutes, universities, non-profit organisations and international organisations.

Finally, the CGU has developed guidelines based on international best practices for the internal audit activity for planning and carrying out evaluations based on risks and supported by evidence, with targets for increasing its level of technical maturity according to the internal audit capacity model. The experience and improvement of audit teams acquired by conducting public policy evaluations, as well as their physical presence throughout the national territory, allows them to obtain evidence in different ways, whether through the use of big data techniques or often by collecting the necessary evidence directly from the policy's beneficiaries.

Skills and capacities for M&E are heterogeneous across institutions in Brazil

Relevant competencies and capacity for M&E are important as individuals with the right skillset are more likely to produce high-quality and utilisation-focused evaluations and assessments (McGuire and Zorzi, 2005[27]). The right competencies imply having the appropriate skills, knowledge, experience and abilities. In Brazil, the Ministry of Economy promotes training to develop skills, competencies and/or qualifications of evaluators. The government runs this training through its schools of government – such as the National School of Public Administration (ENAP) – and has the technical assistance of IPEA. This is in line with other OECD countries, the majority of which have recognised the important role of competencies in promoting quality evaluations. In fact, survey data show that the majority of countries (17 main respondents, of which 13 OECD countries) use mechanisms to support evaluators' competencies development (OECD, 2020[4]).

Despite the existence of well-developed capacities, in Brazil, there is a lack of experts trained to carry out evaluations. The number of existing experts does not sustain the need for assessments, especially in times of emergency. Sectoral organs are encouraged to make assessments in their own body but this can be challenging as they rarely have a large enough workforce to sustain their needs. Therefore, capacity building and training could be helpful in Brazil. Moreover, this could create a multiplying effect and lead to a significant increase in the number of professionals able to carry out evaluations.

Some actors closely related to the CoG, such as ENAP, IPEA and the IBGE have the capacities and competencies to ensure that quality evaluation activities are conducted. The secretariats of the Ministry of Economy (National Treasury Secretariat - STN, Federal Budget Secretariat - SOF, SECAP) and the CGU are also capable of co-ordinating and executing different types of evaluations.

- IPEA, for instance, can itself carry out evaluations and has contributed to the co-ordination and execution of evaluations, besides supporting CMAP in a project to develop an Inventory of Federal Public Policies. They also have a programme to foster research through scholarships and bring evaluators from academia to help with assessments.

- The IBGE can help with the provision of data and information bases.

- ENAP can provide training to policy makers in charge of the evaluation. The school has an increasing role in disseminating good practices or guidelines to foster quality processes and results. ENAP offers training, especially practical courses on both *ex ante* and *ex post* assessment of public policies and technical advice on public policy evaluations.

- The CGU can assist in evaluation activities by offering consultancy. This is possible because of its capillarity in the national territory and because audits, including those aimed at evaluating public policies, are processes conducted in a systematic and disciplined manner, including with the existence of a quality assurance programme. The expertise CGU gained over the years can serve as a reference for sectoral bodies when carrying out their own public policy assessments.

These bodies may also exercise the function of co-ordinator or executor of the evaluations carried out within the scope of CMAP. The co-ordinator is responsible for preparing the work plan, ensuring the execution of the evaluation, assessing the risks that may impact the results, presenting the intermediate products to the committee, the final evaluation report and the recommendations report.

Another interesting initiative for the promotion of capacity building is the collaboration between ENAP and the CLEAR Initiative, which is part of the World Bank Independent Evaluation Group (IEG). They hold seminars and workshops on M&E for civil servants, in addition to the co-operation for capacity development in evaluation through ENAP's Evaluation Advisory Services.

Although ENAP has been contributing to building the capacity of evaluation in the line ministries independently and also as an important supporter for CMAP, the way that line ministries carry out evaluations is heterogeneous in the federal government. Some ministries have excellent capacities but this is not true for others. Also, within ministries, there can be specific sectors that are more advanced than others in terms of capacities and skills for M&E. Brazil should make sure that there are basic analytical skills for M&E in all ministries, a critical mass of evaluation skills within each ministry in order to make sure that they can conduct evaluations and skills to commission and supervise evaluations at the senior civil service level.

A first step in strengthening the analytical capacities of the Brazilian public sector would be to assess the capacities and needs of the Brazilian government in terms of M&E skills. Such an exercise could be undertaken by IPEA or ENAP and inspired by the United Kingdom (UK) example of developing a Framework for Digital Professionals (Box 4.6).

Box 4.6. The UK Framework of Digital Professionals

In 2015, the UK Government Digital Services (GDS) started conducting a broad mapping of digital skills in the government to evaluate the capacities and needs of the UK government, to promote a modern and agile digitally driven civil service. This mapping looked at digital professionals as well as product manager, user researcher and delivery manager roles – all of which are indispensable for well-functioning digital services. This mapping exercise has shown that employees with such digital skills had different job titles, functions and salaries within the British public sector.

> Based on this mapping, the GDS developed the Digital, Data and Technology Capability Framework that includes 37 jobs and identifies the skills needed for each of them, as well as the competencies needed to advance to a higher-level title within each job. This framework has helped the UK civil service address the issue of digital professionals' recruitment and career advancement, identify capacity gaps to design training and facilitated the creation of a community of practice.
>
> Source: OECD (2021[28]), "The future of the public service: Preparing the workforce for change in a context of uncertainty", https://doi.org/10.1787/1a9499ff-en.

Also, according to the interviews carried out during the fact-finding missions, the allocation of capacities, i.e. how capacities are distributed among entities' departments and/or teams, represents an issue. As a matter of fact, capacity allocation within entities can be dictated by inertia from past allocations and not adapted to the internal changes in capacity needs and thus, with a risk of resulting in a misallocation of the existing capacities and an under-exploitation of the existing human resources. A possible solution to this issue lies in co-ordination but this resulted in being problematic due to the high heterogeneity of actors.

Last, investment in analytical capacities for M&E usually happens at the individual level. Instead, it would be advisable to put in place analytical structures for investment in analytical capacities within line ministries at the institutional level rather than at the individual level. This requires the elaboration of a government-wide strategy to attract and retain highly qualified analytical staff members. The Brazilian public sector could create an analytical track within the civil service framework, which could provide training in policy analysis and evaluation methods, appraisal methods, data and advanced quantitative methods, and applied economics. The graduates from this analytical track would be hired centrally and, then, dispersed to the analytical units within various ministries. These analysts could be offered relatively higher salaries, well-defined career trajectories and secondment opportunities, to increase the attractiveness of this professional stream. Several other OECD countries have created dedicated policy analysis tracks within the civil service (Box 4.7).

Box 4.7. Policy analysis tracks in France, Ireland and the UK

In **Ireland**, the Irish Government Economic and Evaluation Service (IGEES) has a role as an economic and analytical resource co-ordinator across government. The IGEES manages a network of analytical staff who are hired centrally and later posted in line departments. IGEES staff conduct economic analysis and evaluations, and more generally contribute to better policy making in the line departments. The IGEES was launched in 2012 in the aftermath of the global financial crisis, initially aimed at ensuring the quality-for-money of public policies in response to budgetary pressures.

On average, 20 recent graduates are hired through this scheme every year, which brings the total number of analysts hired by the IGEES to over 150 across the government. The IGEES also supports network building and knowledge sharing by providing its staff with incentives for mobility: after an initial two-year period, staff will move either within the department or to another department. A Learning and Development Framework has also been established whereby IGEES staff receive training in the following areas: policy analysis and evaluation methods, appraisal methods, data and advanced quantitative methods, and applied economics.

In the **UK**, there are around 15 000 "policy professionals" that work as analysts across the different government departments. The term regroups several professional tracks such as the government economic service, the government statistical service and the government social research service. The policy profession framework includes a two-year apprenticeship programme, as well as a three-year

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graduate scheme. There is also a common framework for all policy professionals, which includes a shared skillset (18 competencies in 3 areas: analysis and use of evidence, politics and democracy, policy delivery), 3 levels of expertise, as well as a clear training and career progression framework.

In **France**, the National Institute of Statistics and Economic Studies (INSEE) has an inbuilt tertiary educational system, which trains a set of specialists in economic, statistical and econometric analysis through the ENSAE school, and statisticians and data scientists at the ENSAI school. A share of the graduates from these schools are to be enrolled in the civil service and receive a stipend during their studies in exchange for working in the civil service for a minimum period of eight years. Within the civil service, graduates from ENSAE/ENSAI serve in the analytical offices in each ministry, as well as a variety of public institutions such as France Stratégie or the Central Bank. At entry level, this pool of graduates is co-ordinated centrally by INSEE, thus creating a shared marketplace for analytical and statistical skills across the public sector. In addition, the national institute also has an important role in fostering and developing analytical competencies across government, by providing professional training aimed at all civil servants, organising seminars to foster knowledge sharing and encouraging mobility of analytical staff between line ministries. The scheme, which has been operating since the inception of INSEE in 1946, was part of a set of key reforms aimed at modernising the civil service in the after-war recovery period to ensure that the French state apparatus would be well equipped to deal with modern challenges.

Source: OECD (2021[29]), *Mobilising Evidence at the Centre of Government in Lithuania: Strengthening Decision Making and Policy Evaluation for Long-term Development*, https://dx.doi.org/10.1787/323e3500-en.

Promoting the use of M&E results

Using a system to measure the results in terms of performance and delivery is the main purpose of building an M&E setup. In other words, producing M&E results serves no purpose if this information does not get to the appropriate users in a timely fashion so that the performance feedback can be used to improve policies. Effective use of M&E results is key to embed them in policy-making processes and generate incentives for the dissemination of M&E practices. It is a critical source of feedback for generating new policies and developing a rationale for government interventions. If M&E results are not used, gaps will remain between what is known to be effective as suggested by evidence and policy, and decision-making in practice. Simply put, M&E results that are not used represent missed opportunities for learning and accountability (OECD, 2020[4]).

M&E information is shared and made public through different channels, depending on the issuing institution and the data involved

Making results public is an important element to ensure impact and thus increase the use of evaluations. Public access is an important factor in data use, as analysts may not otherwise be aware of existing data sets or may not have access to them. Evaluation results are increasingly made public by countries, through increased openness and transparency. As shown in Figure 4.2, the majority of countries make evaluation findings and recommendations available to the general public by default, for example by publishing the reports on the commissioning institution's website. Such availability is important to promote use as, if citizens are aware of the results and implications, it may also build pressure on the policy makers to pay attention to the results and ensure that they feed into policy making (OECD, 2020[4]).

In Brazil, the sharing mechanisms for M&E information vary according to the issuing institution and the types of data involved. Some examples are:

- The annual Pluriannual Plan (PPA) monitoring report provided for in Article 16 of Law No. 13.971, from 2019, forwarded to the National Congress, from 2021, until August of each year, and made available on the Ministry of Economy website[1] (Ministerio da Economia, 2020[9]). A report with the results of the evaluations is also sent to the National Congress annually, starting from the 2020 Evaluation Cycle. Final evaluation reports and recommendation reports are available to the public, managers and public officials on the CMAP website.[2]

- The Ministry of Economy's Delivery Unit is responsible for collecting the updated information from implementation departments and compiling it in reports that are sent to the executive secretary. Not only do these reports bring updated information about priority indicators but also show the status of action plans and identify risks in implementation proposing suggestions for mitigation. These reports are used by the leader of the system in meetings with the Crisis Cabinet and the minister, and ultimately also serve for any updates with the president. A streamlined version of the same reports is also sent to the Communications Unit to be shared with citizens in external communications (media releases, social media and websites).

- The Special Secretariat for Federative Affairs of the Secretariat of Government is responsible for the Federative Diagnosis, an online, real-time IT solution that shows the use of federal resources of all 5 570 Brazilian municipalities.

As a general rule, every impact assessment report is available by law, although some information may be totally or partially restricted due to a legal exemption such as fiscal information protection or property right protection.

Figure 4.2. Publicity of evaluation results
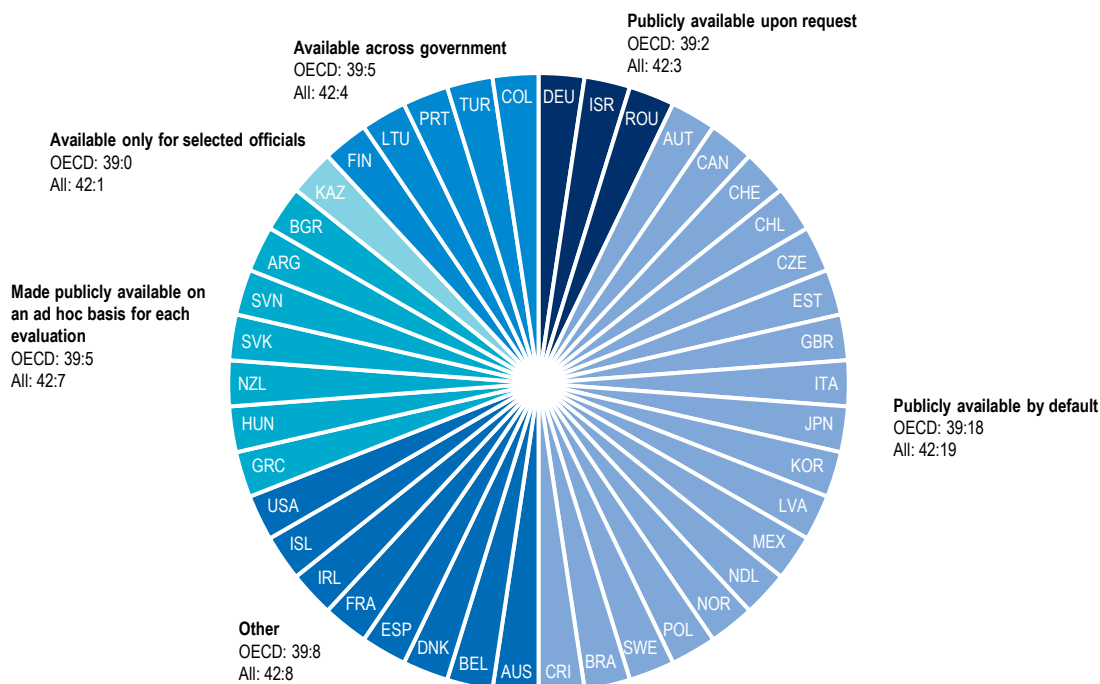
Note: n=42. Answers reflect responses to the question: "The results of the evaluation are: [possible answers listed in the figure]". In "Other", the majority of countries agreed that the public availability of evaluation results will depend on the specific agency that commissioned the evaluation and in its organisation.
Source: OECD (2018[7]), "Survey on Policy Evaluation", OECD, Paris.

While monitoring reports are created and published, the publication format sometimes fails to promote their use by policy makers

The results of monitoring of federal government activities should be used to redirect public policies according to the government's strategic objectives, to review the pertinence of these strategic objectives and to reformulate and eventually interrupt or terminate federal actions or programmes. Nevertheless, while the use of monitoring results is intended to contribute to policy learning in Brazil, the actual use of evidence for policy making is still at an early stage of development and is yet to be seen. While monitoring reports are created, they sometimes do not yet abide to standards or procedures that might facilitate their use by policy makers. Additionally, monitoring reporting should be fit for purpose and reports should be tailored to their recipients and users. The Mexican state of Jalisco's MIDE monitoring strategy described in Box 4.8 can be an example of a transparent and well co-ordinated reporting of monitoring information.

> **Box 4.8. MIDE Jalisco: Good practice of transparent reporting of monitoring information**
>
> MIDE Jalisco is the comprehensive monitoring strategy of the state of Jalisco, operated by its Planning, Administration and Finances Secretariat and involving 35 state executive agencies and entities. It facilitates dynamic and periodic monitoring of the quantitative indicators pertaining to the goals of the state's Governance and Development Plan. This monitoring mechanism contains 27 long-term impact-level indicators on the development of the state, 133 mid-term indicators measuring direct impact on the population, as well as 194 indicators that capture short- and mid-term information on the implementation of programmes and policies. MIDE Jalisco has data dating back to 2006 for most of its indicators. In addition to being a well co-ordinated, inter-institutional and centralised platform for monitoring Jalisco's strategic planning instrument, MIDE Jalisco represents good practice for effectively communicating monitoring results to stakeholders. This is because MIDE Jalisco is hosted on an online platform, where members of academia, the press, civil society organisations (CSOs) and the public can access the indicators as open-source data. Furthermore, since these indicators are updated at least once a month (and more frequently if the source of the data allows), relevant stakeholders can access monitoring results in real (or near-real) time. Thus, this system fosters citizen participation and accountability. This participation is further facilitated by the existence of MIDE Jalisco's Citizen Council, which allows for the collaboration between public servants, experts and citizens to improve indicator selection and target setting.
>
> Source: State of Jalisco (2020[30]), *Open Government Partnership;* Elmqvist, T. et al. (eds.) (2018[31]), *Urban Planet: Knowledge Towards Sustainable Cities*, Cambridge University Press; OECD/CAF/ECLAC (2018[32]), *Latin American Economic Outlook 2018:Rethinking Institutions for Development*, https://dx.doi.org/10.1787/leo-2018-en, in OECD (2021[1]), *Monitoring and Evaluating the Strategic Plan of Nuevo León 2015-2030: Using Evidence to Achieve Sustainable Development*, https://dx.doi.org/10.1787/8ba79961-en.

Additionally, well-functioning mechanisms for generating and using evidence require both interest from political leadership and capacities within a government to provide timely and reliable analysis (i.e. the supply of evidence), as well as to use evidence (i.e. the demand for evidence). In Brazil, the awareness of and demand for evidence from M&E is still insufficient from a number of actors within the government, in spite of the recognition of its importance. Moreover, the creation of new public policies still lacks the recurrent use of quality evidence. Similarly, there is a lack of use by managers of quality evidence in the design stages, choice of intervention and monitoring alternatives. This influences the appropriate allocation of public resources, impacting the probability of solving the problem listed by the political agenda. The Brazilian CoG could consider encouraging the use of monitoring results by, for example, making them user-friendly, including an executive summary and making them concise and clear.

Increasing the impact of monitoring results will require developing a performance framework focused on addressing implementation barriers

It is pivotal that monitoring results be presented in a way that is compelling to its audience. Connecting performance objectives (see recommendations in Chapters 1 and 2) and monitoring activities is therefore key. Dashboards should include a narrative on performance, interpreting and using the results to understand implementation gaps and propose corrective policy action in a way that creates a coherent and impactful narrative (Vági and Rimkute, 2018[3]). The government of Brazil will need to filter the relevant data and focus the information presented on the most pressing bottlenecks or the reforms with the biggest potential impact. Key messages, takeaways and suggested courses of action should accompany any raw data (i.e. indicators).

Institutional arrangements and mechanisms constitute a sound foundation for use of evidence in policy and decision-making. Mechanisms that enable the creation of feedback loops between monitoring and implementation of policies can be incorporated either:

- In the monitoring process itself, such as through the performance cycle (whereby performance evidence is discussed either at the level of the individual line ministry or the CoG).
- Through the incorporation of performance findings into other processes, for instance, the policy-making cycle, the annual performance assessment of senior public sector executives, the budget cycle or discussions in Congress.

The creation of a structured performance dialogue, i.e. working routines, could allow practitioners and decision-makers to use monitoring evidence in order to identify implementation issues, constraints and adapt their efforts/resources in order to solve them. In particular, linking the strategic objectives with individual performance objectives is key to creating incentives for results in government, particularly at the level of senior public sector executives and leadership. There is a need to ensure the participation of government officials, such as heads of agencies or departments, and that their organisation is contributing to the achievement of high-priority cross-government outcomes. In Chile, for example, both collective and individual incentives have been used in order to promote public sector performance in line with strategic objectives (see Box 4.9 for a more detailed explanation of this system).

Box 4.9. The monitoring systems and accompanying incentives for performance in Chile

The Chilean monitoring system has three main actors: the Ministry of Finance, the Ministry of Social Development and the line ministries. The system is comprised of four sub-systems that monitor the following elements:

- The H Form (*Formulario H*), a document that accompanies the Budget Bill and comprises performance indicators that include qualitative information on public goods and services. This is under the responsibility of the Ministry of Finance.
- Programme monitoring with the objective of following up on programme execution and measuring progress against targets, under the responsibility of the Ministry of Finance.
- Social programmes monitoring, under the responsibility of the Ministry of Social Development.
- Internal management indicators (*Indicadores de Gestión Interna*) that focus on internal processes and procedures.

In parallel, there are three main mechanisms to create incentives for performance:

- The Management Improvement Programme (*Programa de Mejoramiento de la Gestión*) that grants bonuses to public servants who reach specific targets.

- Collective performance agreements (*Convenios de desempeño colectivo*) that encourage teamwork within work units towards annual institutional targets.
- Individual performance agreements (*Convenios de desempeño individual*) that set strategic management targets for every civil servant.

Source: Irarrazaval, I. and B. Ríos (2014[33]), "Monitoreo y Evaluación de políticas Públicas", http://dx.doi.org/10.13140/2.1.4072.2886; OECD (2021[1]), *Monitoring and Evaluating the Strategic Plan of Nuevo León 2015-2030: Using Evidence to Achieve Sustainable Development*, https://dx.doi.org/10.1787/8ba79961-en.

More strategic communication of evaluations results could foster their use

As shown in Figure 4.3, the use of evaluation results in policy making was identified as the main challenge for promoting policy evaluation across government by several respondents to the OECD questionnaire.
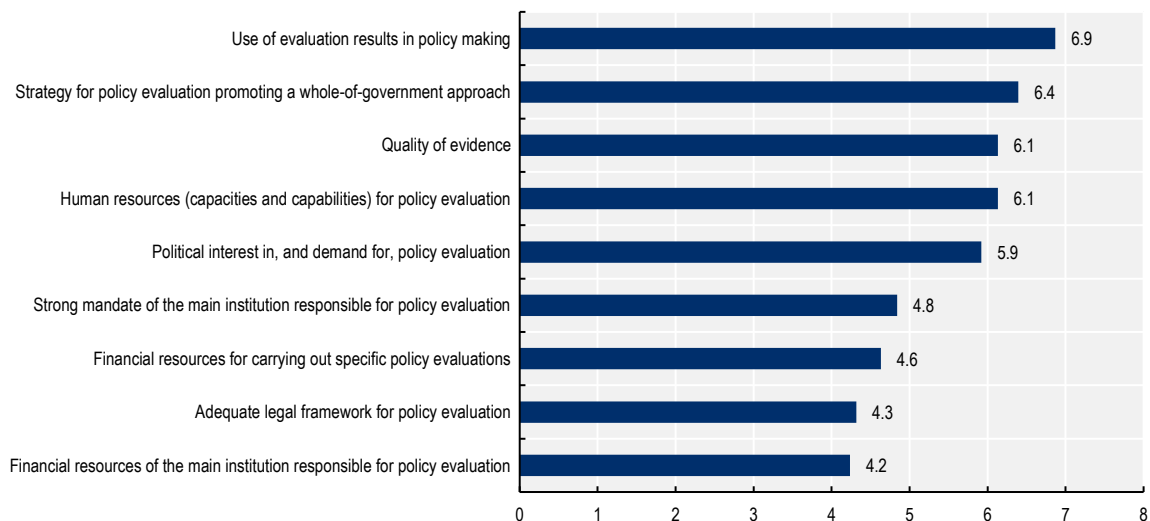
In Brazil, the country's political and regulatory environment is developing to allow for the use of evidence in decision-making. Within the scope of the regulated sectors, in 2019, legislation was enacted to extend the compulsory use of regulatory impact assessment from the regulatory agencies to other regulators in the administration (Law No. 13.874/2019). The use of RIA by regulatory agencies and the publication of the results of hearings and public consultations is spreading. Gradually, there is a perceived effort from the agencies to improve their technical notes, disclose the contributions received from society and produce reports commenting on the contributions and supporting the decisions made. It is expected that the use of evidence and transparency of information will increase as they are essential elements of RIAs. In that sense, if the use of RIA becomes normalised, the political environment might change and the use of evaluation, in general, might become a common practice of the Brazilian government too (OECD, 2018[16]).

As previously mentioned, the Public Policy Monitoring and Evaluation Council (CMAP) was recently instituted and is not yet well-adapted to promoting the use of evaluation results. Indeed, every year, CMAP selects, based on objective criteria, a group of policies for priority evaluation and manages their evaluation, summarises results and provides recommendations to the CoG (all of which are publicised on the website).[3] The bodies responsible for PPA programmes must submit to CMAP, when appropriate, an implementation plan based on the recommendations approved for the evaluated public policies. Based on evaluation results, a report with recommendations for policy improvements is prepared. This report is considered by the respective committee (CMAG or CMAS) and approved by CMAP. CMAP CoG bodies consider the recommendations report. The internal governance committees of the governing bodies of the evaluated policies – or, before implementation, the sectoral bodies of the Federal Planning and Budget System (*Sistema de Planejamento e Orçamento Federal*, SPOF) – will be the main contact units of CMAP and its committees and this during the process of evaluating and monitoring the implementation of proposals to change public policies resulting from the evaluation. They are responsible for mediating communication with the relevant technical areas, whenever necessary (Ministerio da Economia, 2020[9]).

Nevertheless, there is no clarity on when and how the CoG will use the evaluation information generated by CMAP. As a matter of fact, despite promoting the evaluation of selected public policies and encouraging the use of evaluation results to improve the programme's outcomes and performance, according to fact-finding mission participants, most of the findings are used in the political discussion on public policies but not in a systematic way. As previously explained, mechanisms for the promotion of the use of evaluation results apply exclusively to the PPA as no such arrangements exist for other planning instruments beyond the PPA. The Secretariat for Evaluation, Planning, Energy and Lottery (SECAP) has prepared the first annual CMAP report, which was sent and presented to Congress in August/September 2021. As provided for in Law No. 13.971/2019, this report submits the results of the evaluations of the 2020 cycle: eight federal subsidy policies and eight policies or programmes funded by union subsidies (*subsidios da uniao*), selected from the PPA's Finalistic Programmes. Each evaluation, with the exception

of one, also presents proposals for policy improvement, which are embodied in recommendations by CMAP.

Figure 4.3. Challenges for promoting policy evaluation across government

Use of evaluation results in policy making	6.9
Strategy for policy evaluation promoting a whole-of-government approach	6.4
Quality of evidence	6.1
Human resources (capacities and capabilities) for policy evaluation	6.1
Political interest in, and demand for, policy evaluation	5.9
Strong mandate of the main institution responsible for policy evaluation	4.8
Financial resources for carrying out specific policy evaluations	4.6
Adequate legal framework for policy evaluation	4.3
Financial resources of the main institution responsible for policy evaluation	4.2

Note: For the main institution, n=42 (37 OECD member countries). Answers reflect responses to the question: "What are the government's current challenges for promoting policy evaluations?". Perceived challenge from 0 to 10.
Source: OECD (2018[7]), "Survey on Policy Evaluation", OECD, Paris.

In order to promote the use of evaluations, countries have adopted the following mechanisms:

- conducting utilisation-focused evaluative processes
- promoting access to evaluations
- supporting the uptake of evaluations results
- increasing demand for evaluations through competency development
- embedding use in the institutional setup, within and outside of the executive.

Good practice mechanisms to promote the use of evaluations implemented by other countries can be found in Boxes 4.10 and 4.11.

Box 4.10. Evaluation portals to promote the use of evidence

Poland's national evaluation database for the evaluation of cohesion policy

All evaluations commissioned in Poland, including those concerning the implementation of EU funds, must be made accessible to the public. Concerning the evaluations related to cohesion policy, a national database has been created: all evaluations are published on the website www.ewaluacja.gov.pl. This platform shares the results of more than 1 000 studies conducted since 2004, as well as methodological tools aimed at evaluators.

Norway's evaluation portal

Norway's evaluation portal (https://evalueringsportalen.no/) is a publicly accessible web service that gathers all the findings of evaluations carried out by the central government. This database is operated

by the Directorate for Financial Management and the National Library of Norway. It contains evaluations carried out on behalf of government agencies from 2005 until today, as well as a selection of central evaluations from 1994 to 2004. Evaluation reports are registered in the database as soon as they are made available to the public. Moreover, the portal provides evaluation guidelines, a calendar of the key activities in the evaluation area, and news and professional papers. By increasing accessibility to evaluation results, the portal allows the use and reuse of the knowledge and findings from evaluations in all state policy areas, in future evaluations and in society as a whole. It ultimately allows increased legitimacy and transparency regarding government activities.

Source: OECD Survey on Policy Evaluation (2018), in OECD (2020[4]), *Improving Governance with Policy Evaluation: Lessons From Country Experiences*, https://doi.org/10.1787/89b1577d-en.

Box 4.11. Guidelines for the construction of Evidence Gaps Maps: A tool for decision-making in Colombia

The Colombian National Planning Department (DNP) created guidelines for the construction of evidence gap maps (MBEs) to strengthen evidence-based decision-making. MBEs systematise and synthesise the evaluation results in a clear way, giving decision-makers easy and comprehensive access to them and ultimately reinforcing use.

These guidelines can be used by any national public entity and international organisation interested in improving their decision-making processes. They present the steps required for the construction of an MBE, accompanied by concrete examples and recommendations. They also describe the human resources needed to build the team responsible for constructing the MBE as well as the optimal planning for it.

Source: Ministry of Planning of Colombia (2019[34]), *Guideline for the Construction of Evidence Gaps Maps: A Tool for Decision Making*, in OECD (2020[4]), *Improving Governance with Policy Evaluation: Lessons From Country Experiences*, https://doi.org/10.1787/89b1577d-en.

The Federal Court of Accounts (TCU) could also play an important role in raising awareness of evaluation results and sharing guidance on how to foster their effective use. First, the TCU gathered relevant data assessing the maturity of Brazil's M&E system, with a particular focus on the use of "evaluative knowledge". In 2013, the TCU conducted an audit of 27 federal agencies to assess the maturity of M&E systems across government. The maturity index (iSA-Gov) quantified the level of institutionalisation of systems, looking at four elements:

- demands for evaluation
- production of evaluative knowledge
- organisational learning capacity
- use of evaluative knowledge.

Managers who responded to the survey considered themselves as having a high capacity to use results (TCU, 2013[35]). While the iSA-Gov tool found that the use of evaluative knowledge was, on average, "present, sufficient and satisfactory to meet the needs of the actors", other audits of TCU suggest room for improvement in this area – particularly in the use of performance information for budgeting (OECD, 2017[15]).

As mentioned in Chapter 3, in Brazil, approximately 94% of the budget is determined by the allocations that are set in legislation, while only 6% of the incremental expenditure is available to be allocated to the

government's priorities. The mandatory allocation of expenditures does not leave space for the use of evaluation results and does not have regard for innovation, quality or the volume of services that may be required as the majority of the budget is completed before the budget process begins. Even in mandatory spending, evaluations, if well customised, can promote efficiency and effectiveness, potentially leading to better allocation of resources. As previously mentioned in this chapter, Brazil does not carry out performance budgeting as a general practice. Consequently, evaluation information is not used to link spending performance to the achievement of strategic planning objectives. This general siloed approach often results in limitations on the effectiveness of the M&E system overall.

Case study on business environment reform in Brazil

Over the past few years, business environment reform has emerged as a cross-cutting, high-level priority for the government of Brazil. The aim of this reform effort or programme is to simplify the setting up and operation of a business, attract foreign direct investments through an improved institutional context, while improving its position in international business environment rankings (in particular the World Bank Doing Business Index). In the context of this reform effort, Brazil has enacted a new Business Environment Law (No. 14.195/2021), developed numerous memoranda of understanding that set out plans to modernise the business environment and implemented various policy initiatives.

Three international indicators are used to monitor the objectives of the business environment reform in Brazil (see Chapters 1 and 2 for more information):

- The World Bank Doing Business indicator: In September 2021, the World Bank suspended the publication of the Doing Business report 2021 due to data inconsistencies. Nevertheless, the executive report of the "Doing Business" Project 2021, prepared by the Special Secretariat for State Modernization (SEME) with the purpose of presenting a synthesis of the work developed and results obtained by the Brazilian government in relation to the modernisation of the business environment, is based on the themes of the Doing Business report. The executive report (Government of Brazil, 2021[36])presents the main actions developed and presents a simulation of the evolution of Brazil in the Doing Business indicator. An online dashboard was also created for the monitoring of each indicator and theme. The government target was defined as a position in the Doing Business ranking but this can be a difficult target to manage due to the movement of the other countries in the ranking. In fact, Brazilian progress may be outshined by the progress of other countries, or some countries may experience a rank drop and the Brazilian rank may increase without a corresponding enhancement in the business environment dynamism. For this reason, greater emphasis could be put on thematic targets defined by points, a simpler metric to plan and control.

- In addition to Doing Business, Brazil uses other international indices to assess the business environment, in particular the WEF Global Competitiveness Index.

- The index of Economic Freedom by the Fraser Institute.

As previously mentioned in the chapter, producing quality indicators is still a challenge for Brazil and, while international indicators can provide a broad understanding of how Brazil is performing in socio-economic areas, they do not help to measure how government policies are contributing to improving outcomes.

With the definition of the Business Environment Modernization Plans (*Planos de Modernização do Ambiente de Negócios*, PMAs), Memoranda of Understanding (MoUs) are agreed upon with the authorities responsible at the federal level for the issues set out in the Doing Business report. The MoUs are intended to record the commitment to promote the modernisation of the business environment through the employment of all necessary efforts by the signatories to increase Brazil's position in the Doing Business ranking. The document defines the shared responsibility with federal managers for the topics assessed in the report, the setting of targets and the configuration for monitoring the actions and activities necessary for the success of the project.

Targets are defined for each of the ten Thematic Action Groups (Grupo *Temático de Ação*, GTA) to monitor the evolution of the plans. In order to achieve targets, ten actions were defined and the corresponding activities were developed. For example, the first action "Starting a business" has eight corresponding activities, among which: creating a single business start-up form (one-stop-shop) and a business hotline for opening a business, etc.

The monitoring of the Business Environment reform would benefit from mid-term milestones and performance indicators. The monitoring of PMAs is conducted through quarterly meetings, with the presence of the top management of the involved agencies (Special Secretaries, General Director of the Brazilian Electricity Regulatory Agency [*Agência Nacional de Energia Elétrica*, ANEEL], Central Bank Director, President of the Securities and Exchange Commission [*Comissão de Valores Mobiliários*, CVM] and the Special Secretariat for State Modernization [SEME]), responsible for carrying out the monitoring of actions and projects that may have an impact on the themes of the Doing Business report. These are structured meetings with a well-defined discussion order. As a matter of fact, in each meeting, minutes from the previous meeting are consulted to check if commitments have been accomplished. New commitments are not created before existing ones have been addressed. Nevertheless, these commitments are not reflected in any specific indicator but are rather part of an informal conversation (through WhatsApp, Google Drive, etc.). There is no clarity about the performance data employed to sustain those discussions and assess if the current efforts will lead to the expected outputs and outcomes and there are no performance indicators. In order to achieve greater clarity, on top of the existing result indicators, performance indicators and mid-term milestones could be developed to improve decision-making and accountability.

Additionally, the informality of monitoring meetings on the one hand makes them more recurring but, on the other, makes them less structured and difficult to institutionalise. Brazil would benefit from creating regular feedback loops and structured discussions around the development of the different actions. In particular, it would be important to improve the systematisation and standardisation of procedures, which confirms the diagnostic outlined earlier in this chapter.

There is currently no evaluation planning in the programme. A more structured monitoring process will support not only project implementation but also eventual evaluations or reviews for further editions and communication with society. Not only do these practices complement each other but policy evaluation also has a distinctive role to play in providing credible evidence for various public management efforts, such as monitoring or performance budgeting (OECD, 2020[4]). As previously mentioned in the chapter, the creation of CMAP signals the relevance of evaluation practices in Brazil and the business environment reform should be no exception.

Recommendations

In recent years, Brazil has put in place a number of initiatives to strengthen its M&E system. The evaluation system in Brazil has recently been restructured with the introduction of CMAP in 2019. This change has the potential of improving the Brazilian evaluation system but given how recent this is, the results are yet to be seen.

The monitoring system is mainly linked to the PPA, which represents a relevant mid-term planning tool to organise the work of line ministries. Nevertheless, the PPA's design, in terms of timing and structure, does not allow the definition and monitoring of cross-government/cross-cutting policy priorities. This has resulted in the development of alternative monitoring practices, systems and bodies, both in Casa Civil and in the Ministry of Economy.

However, the overall M&E system remains at an early stage of development. It still lacks sufficient institutionalisation and the actors mobilised for M&E practices are not always well co-ordinated. Moreover, evidence suggests that mechanisms to foster the quality and use of M&E results are neither widespread nor systematically used. A particular challenge for the government is the access to quality data and lack of use of the budget to evaluate the pursuit of strategic planning objectives through spending indicators in a performance-based budgeting system. The government should continue its efforts to institutionalise key processes, enhance co-ordination and promote the quality and use of M&E.

Recommendations

Building a sound institutional framework for monitoring and evaluating policy priorities

- Adopt a comprehensive definition of monitoring and/or evaluation to establish a shared understanding of their objectives and modalities within the public sector, and the difference between them.
  - Clarify, for example through guidelines, the different set-ups – including the actors involved, timeline, methodology and tools for monitoring, for each objective pursued by monitoring activities, such as:
    - Monitoring cross-cutting policy priorities at the CoG: closely related to Casa Civil's key responsibilities.
    - Monitoring the use of resources, the efficiency of internal management processes or the outputs of a given policy initiative, under the responsibility of the Ministry of Economy and linked to the Pluriannual Plan (PPA).
  - The adoption of a definition of evaluation could be the outcome of a collective exercise within the Public Policy Monitoring and Evaluation Council (CMAP).
- Clearly define mandates and responsibilities for whole-of-government performance monitoring in Brazil.
  - This includes assigning responsibilities and avoiding gaps, overlaps and improving co-ordination, especially between the Undersecretariat for Articulation and Monitoring (SAM), the Undersecretariat for Analysis and Assessment of Government Policies (SAG) and the Ministry of Economy concerning data collection, data analysis, data use, co-ordination of the monitoring process, promotion of monitoring across government, capacity building and the design of monitoring guidelines. The functional review recommended in Chapters 1 and 2 should be used for this purpose as well.
  - Consider the progressive development of a performance management framework (see recommendations in Chapters 1 and 2), which links collective and individual incentives for performance. Consider progressively aligning and/or integrating PPA key data and monitoring information into this performance framework. Casa Civil could start this process with some pilot programmes.
- Develop and harmonise monitoring tools and working routines within Casa Civil.
  - Set up a performance dialogue in order to improve decision-making in the CoG.

- Centre this performance dialogue on a clear performance framework, with results-oriented objectives and clear impact (long-term), output and process indicators (see Chapters 1 and 2).

- Set up a clear procedure to discuss performance with line ministries (for instance on a biannual basis). Take measures to ensure the presence of high-level authorities in the meetings.

o Focus the performance dialogue on policies and programmes that require cross-ministerial co-ordination and create focal points in each ministry and agency.

o Based on the platform *Governa*, develop a dashboard for performance dialogue which integrates information concerning both the implementation of policy priorities and their contribution to the PPA, as well as the overarching performance framework/long-term plan. Provide fit-for-purpose and user-friendly analysis in the dashboards. Dashboards should include a narrative on performance, interpreting and using the results to understand implementation gaps and propose corrective policy action in a way that creates a coherent and impactful narrative. The government of Brazil will need to filter the relevant data and to focus the information presented on the most pressing bottlenecks or the reforms with the biggest potential impact. Key messages, takeaways and suggested courses of action should accompany any raw data (i.e. indicators).

o Elaborate clear written guidelines for the report, discussions and follow-up actions to be undertaken after performance dialogue meetings. This includes how to conduct performance reviews, the agenda of review sessions and how decisions should be taken and followed up.

Promoting the quality of M&E

- Strengthen the robustness of key national indicators (KNIs).

o Update and/or validate these indicators through a stakeholder engagement process, in order to create ownership and promote accountability.

o Clearly explain how each strategic objective of the Federal Development Strategy 2020-2031 (EFD) is linked with the KNIs.

o Continue investing in a single architecture data interoperability (in line with the recommendations of the OECD 2018 Digital Government Review). This could contribute to the availability and quality of data and evidence which are needed for planning purposes (see Chapter 2).

- Develop a set of robust indicators to ensure the monitoring of policy priorities.

o Each indicator should be explicitly linked to at least one KNI, for the development of this causal chain between policy priorities and long-term goals.

o Diversify the type of indicators used to measure the achievement of each policy priority, in order to capture all core aspects of the policy/programme (such as design, process, context, output indicators).

o Develop, for each indicator to be used within Casa Civil, key background information, including baselines and targets, in order to facilitate M&E.

o Assess the robustness of indicators against the RACER model and replace the indicators that do not meet these criteria. The RACER model state that all indicators should be: relevant, accepted, credible, easy, robust.

- Develop quality assurance mechanisms for the monitoring system in Casa Civil to ensure the credibility and relevance of the monitoring process.

- o Design specific guidelines for the monitoring of policy priorities to be applied by every line ministry to strengthen the quality of the data collection process. Clarify the criteria for escalating issues from the line ministry level to the CoG level in these guidelines.

- o Make use of the tools and experience already developed for monitoring the PPA. The government could consider incorporating the monitoring of priorities defined by the CoG in PPA dynamics and bringing it closer to Casa Civil. The Governa platform and a public panel could also be powered by SIOP, the same system used in PPA management and also in the budget process.

- • Increase CoG capacities to monitor policy priorities:

- o Further develop skills in Casa Civil, including analytical skills as well as communication skills.

- o Dedicate specific resources to monitoring, in order to have a critical mass of technically trained staff and managers, and the appropriate IT tools.

- • Invest in the development of M&E analytical capacities within line ministries, at the institutional level rather than at the individual level. To this end:

- o Map the analytical skills in each ministry and across the government, to evaluate needs and opportunities. This exercise would require establishing a shared understanding of what these skills entail.

- o Elaborate a government-wide strategy to attract and retain highly qualified analytical staff members, which can include the creation of an M&E analytical track within the civil service framework. The graduates from this analytical track would be hired centrally and then dispersed to the analytical units within various ministries. These analysts could be offered relatively higher salaries, well-defined career trajectories and secondment opportunities, to increase the attractiveness of this professional stream.

- • Develop explicit and systematic quality assurance and control mechanisms within CMAP to ensure the credibility of the evaluation process, such as:

- o Develop appropriate evaluation competencies:
  - – Strengthen (or promote the development) of evaluation societies and networks.
  - – Develop strategic alliances with evaluation networks to foster training for public officials.
  - – Map evaluation capacities across government and create a public and up-to-date roster of evaluators.
  - – Develop capacities for commission evaluations across government.

- o Develop explicit and systematic quality control procedures for evaluations to ensure that evaluation design, planning and reporting are properly conducted. This includes putting in place procedures to:
  - – Design a self-assessment checklist for evaluators to control the quality of their work.
  - – Peer review (process and content) evaluations by experts before they are published.
  - – Conduct meta-evaluations.

Promoting the use of M&E results

- • Require institutions to publish monitoring reports in a user-friendly way, both at the whole-of-government and ministerial levels.

- • Ensure that all evaluation reports (produced by all ministries but also some externals like business associations, etc.) and findings are easily available to Casa Civil and other CoG bodies.

- Develop a public dashboard to inform citizens and stakeholders about the progress made by the government on the implementation of policy priorities and their expected outcome.

- Produce a communication plan which includes publicly presenting, once a year, the government's progress in implementing their policy priorities (see Chapter 5 on public communication).

- Elaborate a communication strategy to adapt the way in which CMAP research findings are presented to their potential users, including:

  o Further develop the CMAP website to make it more user-friendly. The website could include executive summaries and key figures for each evaluation, which are especially useful for decision-makers.

  o Systematise the use of infographics, tailored synthesis of research evidence, simpler language and visual dissemination through social media.

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Notes

[1] See http://dados.gov.br/dataset/plano-plurianual-2016-2019-programacao-qualitativa and http://dados.gov.br/dataset/plano-plurianual-2016-2019-avaliacao.

[2] See https://www.govdata.gov.br/.

[3] The Magenta Book provides guidance on evaluation in the UK government: its scoping, design, conduct, use and dissemination as well as the capabilities required of government evaluators.

[4] See https://www.gov.br/economia/pt-br.

[5] See https://www.gov.br/economia/pt-br/acesso-a-informacao/participacao-social/conselhos-e-orgaos-colegiados/cmap.

[6] Idem.

5 Public communication for better policies and a more open government in Brazil

This chapter examines the opportunities and challenges for the centre of government (CoG) in Brazil to leverage the contribution of public communication in support of better policies and a more open government. It provides an in-depth assessment of the governance of public communication, the use of evidence to drive this function and its role in promoting a more open government. In doing so, the chapter reflects on good practices from OECD and key partner countries to aid Brazil in its transition to a more strategic public communication approach grounded in the open government principles of transparency, integrity, accountability and stakeholder participation.

Introduction

Public communication is a central function of government and an important contributor to the open government principles of transparency, integrity, accountability and stakeholder participation. At its core, it is the practice of relaying and receiving information by a public institution for the public good, which unlike political communication does not seek to advance a certain interest group agenda (OECD, 2020[1]). When applied strategically, it can allow governments to ensure that information flows in an optimal manner, key policy issues are publicly debated and the implementation of public policies is properly monitored and evaluated within and beyond government (OECD, 2021[2]).

Building on the OECD Recommendation of the Council on Open Government (2017[3]), the OECD identifies three pillars of effective public communication that can help build on and reinforce open government principles. First, governance arrangements are a prerequisite for the effective functioning and institutionalisation of public communication. Such arrangements include legal and administrative structures, as well as the human and financial resources that support integrated, strategic and co-ordinated efforts. Second, professionalising capacities and embedding the needed technical expertise within communication units can promote a two-way dialogue with the public by consolidating the right knowledge and tools in this regard. Third, safeguarding the enabling media environment in which public communication must operate is also essential to promote a wider variety of voices in the policy-making cycle and combat the emerging threats of mis- and disinformation. This framework overall underscores how a public communication approach anchored in open government principles can be an instrument to build trust, raise awareness around key reforms and change behaviours.

Brazil has taken important steps toward establishing a strategic communication approach. Notably, it recently underwent a reorganisation of this function to consolidate more centralised steering of communications across the public administration. This commitment was further enshrined in the government's whole-of-government public communication strategy and plan (*Plano de Comunicaçao de Governo 2019 and Planejamento Estratégico SECOM 2019-2020*), where the Secretariat for Social Communication of the Presidency of the Republic (*Secretaria de Comunicação Social*, SECOM) identified the need to adopt a strategic model that places citizens at the heart of communication efforts. Ensuring the translation of this aspirational vision into action will be all the more important as the spread of mis- and disinformation[1], compounded with socio-economic challenges and low levels of trust in government, threatens the effectiveness of COVID-19 response and recovery measures.

This chapter will examine the opportunities and challenges for the CoG in Brazil to leverage the contribution of public communication in support of a more open government. Based on the OECD's analytical framework, it will provide an in-depth assessment of the governance of public communication, the use of evidence to drive this function and its role in promoting transparency and stakeholder participation. It will also explore how some of these elements can support efforts to leverage this function as an instrument for better policy making, by looking at the case of Brazil's communication on the Business Environment Transformation Policy. As noted during the peer review, these thematic areas respond to the priorities of the government of Brazil to transition toward a more proactive and strategic communication approach. Throughout, the chapter will provide policy advice based on the country's responses to the OECD Survey on Public Communication for CoGs[2] (hereafter "OECD Survey") and draw on successes from OECD and partner countries to illustrate good practices in this field.

Strengthening the governance and institutionalisation of strategic communications in Brazil

Brazil's institutional structures and communication capabilities can be examined against two models of governance for public communication: tactical and strategic. These frameworks build on existing literature

in the field and are defined by the objectives, position and resources of the government's communications function within government (Table 5.1) (Sanders and Canel, 2013[4]). On the one side of the spectrum, the tactical model is oriented toward the pursuit of modest short- or medium-term goals through ad hoc tactics, which may include ad hoc posting on social media or issuing press releases as the sole means of engagement. With little internal co-ordination and with no view to serving overarching institutional goals, communication in this model is auxiliary to an organisation's core activities. On the other side, the strategic model is built around insight-driven planning of highly co-ordinated communication across government, promoting core policy objectives over the short, medium and long terms. This implies that communication functions are embedded at the highest levels of decision-making to serve as a key instrument for the attainment of governmental priorities.

Table 5.1. Features of tactical and strategic governance models of public communication

Features range from tactical (left) to strategic (right)

	Tactical	Transitional	Strategic
Public communication structures	• Staff covers communication activities irregularly and alongside other functions • Only a press officer is in charge of all communication aspects • Limited authority and/or contact with decision-makers	• A communication professional manages all activities • Some access and buy-in from decision-makers	• Dedicated unit with specialised and trained personnel • Unit represented at decision-maker's level
Co-ordination	• Communication is conducted in silos, without awareness of activities in other government agencies • There are no common practices or standards • Messages on core subjects vary between departments or are not respected • Overlap in the work of units	• There is some co-ordination from the CoG or another entity, perhaps covering only some areas of communication or specific projects, such as open government • Some key messages are agreed upon and mostly used consistently • Some steps are taken to harmonise the visual identity of the government	• There is consistent co-ordination from the CoG or another entity, including on other relevant policy priorities or strategies, such as open government • Processes and protocols are clear and abided by, and create efficiencies • There is high message discipline • Time-intensive tasks (e.g. monitoring) are centralised within a dedicated entity
Formalisation of communication approaches	• Communications follow events without advance planning • Objectives of communication activities or strategies are not agreed upon in writing • Activities and channels of communication are not differentiated by audiences	• Some overarching objectives are stated and elaborated into a strategy, but parts of communication activity remain ad hoc and unrelated to them • Some communication follows predefined plans • Simple audience insights • Some communications are tailored to specific audiences	• Communication priorities are agreed upon in consultation with policy makers and other relevant stakeholders and are driven by organisational objectives • Short-term planning is managed through a forward-planning grid • Strategies informed by audience insights, monitored and evaluated • Implementation of plans
Human resources and competencies	• Communication staff are appointed by political figures and change with each election or change at the top • Staff lacks specialised background and/or training • No clearly defined job descriptions	• Staff includes both political appointees and civil servants • Staff receive basic training or have previous relevant experience	• Civil servants are in charge of public communication, which is kept separate from political communication • Staff is highly professionalised and regularly trained to stay abreast of innovation

	Tactical	Transitional	Strategic
Financial resources	• No dedicated budget is available and/or financing for communication staff and activities is volatile • Lack of budget efficiency	• Budget is shared with another function or is ad hoc • A dedicated budget exists but does not match the communication objectives/is insufficient	• A dedicated budget guarantees continued delivery against objectives • Financial transparency and performance accountability to maximise budget efficiency

Source: OECD (2021[5]), *Citizens' Voice in Jordan: The Role of Public Communication and Media for a More Open Government*, https://dx.doi.org/10.1787/da85277c-en.

In practice, public communication governance models range from a mix of tactical and strategic elements, with varying transitions in terms of structures, institutional arrangements, competencies and resources across time. While a tactical model may present fewer complexities and costs in the short term, a transition toward a more strategic approach is ultimately more efficient and effective in fulfilling an organisation's key objectives and transforming the government-citizen relationship. This section will therefore examine potential avenues to support the government of Brazil's ongoing efforts to adopt a more strategic-oriented communication through its recent reorganisation. It will do so through an in-depth assessment of the structures underpinning the overall model of communication, the strategic framework in which public communicators operate and the capabilities needed to professionalise this function.

As the office in charge of whole-of-government communication, SECOM could further institutionalise processes, clarify roles and responsibilities

Formal structures charged with organising public communication arrangements play an important role in conducting strategic public communication. By determining the scope of interactions with various audiences, allocating responsibilities and facilitating co-ordination with internal and external stakeholders, such structures help ensure that communication activities across government are aligned and reach their desired outcomes. At the CoG in Brazil, the responsibility for steering public communication at the highest level lies with SECOM. While it historically benefitted from its close proximity to the Presidency, SECOM was recently transferred from the Secretariat of Government (*Secretaria de Governo* or SEGOV) to the newly established Ministry of Communications (*Ministério das Comunicações*) as part of the reorganisation of this function in June 2020. As per its attributions originally set in Provisional Measure 980 of 10 June 2020, the ministry benefits from high visibility and direct co-ordination with Civil Cabinet of the Presidency of the Republic (hereafter "Casa Civil") and the president. It is charged with leading whole-of-government affairs pertaining to:

- National telecommunications policy.
- National broadcasting policy.
- Postal, telecommunication and broadcasting services.
- Public communication policy of the government.
- Relationships between the federal government and the regional, national and international press.
- Convocation of mandatory radio and television networks.
- Public opinion research.
- Brazilian public television system.

Within the newly established Ministry of Communications, SECOM benefits from an explicit mandate to lead whole-of-government communications anchored in the country's broader regulatory framework through Law No. 14.074 (of 14 October 2020).[3] The establishment of its attributions and structure within this new regulatory framework not only empowers the institution but also signals the value attribution of this function as a key lever for the government to deliver on its objectives.

In practice, the organisation of the public communication function differs significantly across OECD and partner countries, particularly with respect to the degree to which such units are centralised (OECD, 2021[2]). For example, public communication in Australia is a shared responsibility across multiple government agencies, whereas in the United Kingdom (UK), this is led by a unit at the CoG. In the case of Brazil, SECOM acts as a central node setting the government's communication strategy, ensuring the dissemination of public information and raising awareness about the rights of and public services available to citizens. The entity leads communication around reforms (i.e. tax, pensions, de-bureaucratisation and modernisation), the economic agenda and other key government priorities defined by the president (i.e. security and accountability). SECOM also conducts communication on behalf of the CoG and provides strategic advice to ministries, public enterprises and other entities of the Federal Executive Branch. As such, it also plays a key role in overseeing government-press relations and national media channels and can play an important role in promoting transparency, participation and accountability.

Regardless of its location, there are common elements that can support the effective functioning of public communication structures at the highest level of government. First, the establishment of a mandate for whole-of-government communication in written form and setting clear roles and responsibilities is an important factor in ensuring the institution's legitimacy (OECD, 2021[2]). Second, the empowerment of all communicators within the organisation – as a result of clear accountability lines, objectives and the monitoring of performance – is key to ensuring the effectiveness of operations (Luoma-aho and Canel, 2020[6]). Finally, establishing a set of core values guiding the work of public communicators under a single approach that is detached from political priorities is crucial to ensuring the function can support the open government principles of transparency, integrity, accountability and stakeholder participation. These elements, together with adequate human and financial resources, play a key role in providing effective communication structures.

While SECOM's mandate is clear, there is a risk that the new institutional anchorage and reporting arrangements may introduce challenges in distinguishing the public versus political nature of communications. During peer review interviews, stakeholders noted that SECOM defines its government communication policy based on the direct mandate and priorities of the president. The strong top-down line of command governing the design and delivery of public communication activities may increase the risks that messages and content may reflect partisan interests. This can undermine the impartiality of key government messages, resulting in competing narratives and eroding citizen trust in government as a source of information. To this end, countries in which public communication coexists with its political counterpart (i.e. Finland, the Netherlands and Slovenia) make a clear distinction between both concepts and attributions for civil servants (OECD, 2021[2]). For example, the government of the Netherlands in its *Principles of Government Communication* calls for "a clear separation from party interests […] through strict agreements between government spokespersons by clearly identifying their relevant responsibilities" (Government of the Netherlands, 2017[7]).

Moreover, the government has also achieved key progress in the consolidation of a defined and robust structure for SECOM to deliver on its mandate. According to OECD Survey results, SECOM has a full-time staff composed of more than 100 people organised into sub-structures with dedicated teams charged with specific communication competencies. As set out in Decree No. 697 (of 10 September 2020), Decree No. 10.747 (of 13 July 2021) and Law No. 14.074, SECOM is divided into the following sub-structures, including:

- The **Secretariat for Institutional Communication** (*Secretaria de Comunicação Institucional*): Disseminates information about policies, programmes and actions, with an emphasis on marshalling strategic resources and aligning the government's messages across departments.

- **The Publicity and Sponsorship Secretariat** (*Secretaria de Publicidade e Promoção*): Responsible for advertising, sponsorship and public opinion monitoring, including allocating spending limits to members of the Federal Executive Branch during election years, in conjunction with the Department of Management Standards.
- The **Sub-secretariat of Press** (*Subsecretaria de Imprensa*): Manages the coverage of the government's relationship with the press and the management of state media channels.
- The **Sub-secretariat of Management and Standards** (*Subsecretaria de Gestão e Normas*): The entity is responsible for co-ordinating the planning and budgeting of public communication activities led by the ministry. In doing so, it also co-ordinates the development and review of guidance and manuals for the institution.
- The **Sub-secretariat for Articulation** (*Subsecretaria de Articulação*): Responsible for overseeing joint communication strategies within the institution in order to correctly position and align the key messaging of relevant policies, programmes and government actions.

Despite the introduction of changes through the reorganisation, stakeholders during OECD peer review interviews indicated that SECOM enjoyed a relatively smooth transition from SEGOV to the Ministry of Communications. While some adaptation was required, stakeholders suggested there were no significant changes to SECOM's mandate or attributions, allowing it to maintain its transversal work as a unit supporting departments across the government as well as the Federal Executive Branch. Adjustments within the department primarily resulted from the new 2021 decree, which changed the relationship between SECOM and the ministries and attributed it the responsibility to lead intra-governmental co-ordination. It was noted, however, that these institutional arrangements have raised challenges in terms of effectively centralising information, aligning messages and ensuring their rapid dissemination, as well as clarifying roles and responsibilities along the multi-institutional landscape in the Brazilian administration.

At present, ministries are responsible for their individual communication work but co-ordinate with SECOM on an irregular basis to ensure alignment with the CoG and across key sectors. SECOM in turn plays the role of "controlling office", helping ministries establish priorities, narratives and strategic objectives across thematic sectors. While this system is thorough, OECD Survey results reveal that the present complex interplay of actors, processes and reporting lines can result in large amounts of information that are difficult to centralise, leading to inefficiencies and potential duplication. These arrangements may also present burdensome reporting lines and bureaucratic procedures, which may hinder the impact and speed at which messages are deployed, de-incentivise co-ordination and ultimately disengage citizens through unresponsive communication.

Against this backdrop, there is room to strengthen the role of SECOM in establishing a systematic framework of horizontal co-ordination and support for public communication units across government. Given that this function has been recently restructured, intra-governmental co-ordination mechanisms in this regard are relatively new and must operate in a complex environment characteristic of federal countries, with multiple actors and intertwined responsibilities. In fact, OECD survey results indicate that co-ordination on key communication issues occurs on an ad hoc basis. Arrangements between and across government ministries, departments and agencies appear to be primarily informal and include meetings, emails, telephone calls and sourcing quotes for press releases cross-departmentally.

The current institutional arrangements governing public communication in Brazil could thus benefit from the increased provision of technical support by SECOM to key line ministries and the establishment of joint working methods to avoid siloed efforts. OECD Survey results reveal that initial efforts in this regard are taking place through the consolidation of the Government Communication System of the Federal Executive Branch (SICOM) composed of the Special Secretariat for Social Communication of the Presidency of the Republic (SECOM) and the administrative units of relevant entities of the federal executive power managing sectoral communication activities.[4] Its objective is to facilitate information sharing among public institutions and the deployment of joint strategic campaigns led by SECOM. To better leverage this

platform, the SICOM network could be more purposefully and actively used to host regular meetings with the aim of sharing results of key activities, fostering the exchange of good practices between ministries, defining communication priorities, developing technical guidance material and organising capacity-building training.

To this end, SECOM could leverage its role as the central node to further clarify processes, roles and responsibilities to reduce potential duplications, simplify working methods and enable the administration to speak with one voice. The government of Brazil should consider the codification of key public communication processes, clarification of reporting lines and the allocation of concrete roles and responsibilities to specific sectoral actors, for example, through existing dedicated guidelines, manuals or its public communication strategy. SECOM has a repository of guidelines and manuals[5] which could also be updated to promote a more proactive and co-ordinated communication across government. As will be discussed in the next section, SECOM's public communication strategy could also be a key instrument for such a purpose, by mapping specific attributions for each institution, together with the overarching objectives and steps to effectively deploy planned communication activities.

In addition, SECOM's new position in the Ministry of Communication represents an opportunity to address existing co-ordination gaps with key line ministries while retaining the potential benefits related to its anchorage with the highest level of government. There are examples of governments establishing shared communication planning and co-ordination tools, through digital or collaborative platforms. The UK Government Communication Service (GCS), for example, sets out a formal framework to align communication planning and makes use of a grid tool to co-ordinate the implementation of major government campaigns (Box 5.1).

Box 5.1. Enabling institutions to speak with one voice in the UK

The UK Government Communication Service OASIS Model

The UK GCS has developed the OASIS Campaign Guide to aid government communicators to deliver world-class government communications. For rigorous and systematic campaign development, GCS staff follow the OASIS campaigns framework and make selective use of other GCS campaign planning tools where required.

The guide outlines five steps or elements to creating a successful campaign:

- Objective setting.
- Audience/Insight.
- Strategy/Ideas.
- Implementation.
- Scoring/Evaluation.

The UK GCS Grid as a cross-government co-ordination tool

The central government grid is the strategic scheduling tool that co-ordinates all of the announcements across government. It is a single-page-per-week document that sets out everything the government is doing and anything else likely to require government response or interest.

This process allows the government to set out its agenda in a systematic way and helps to shape the government narrative which looks to manage the 24/7 news cycle. It does so through several steps:

- **Step 1:** Government objective (policy or service) is set. Communications teams work with the policy team to develop the communications plan including objectives and key messaging.

- **Step 2:** Each ministry/department completes a one–two-week grid based on forthcoming activities. This information is sent to the central grid co-ordinator. All departments submit their information by 12 p.m. each Tuesday.
- **Step 3:** This information is placed on a draft central grid ahead of a meeting chaired by the central co-ordinator on Wednesday at 12 p.m. This is to discuss the key items and handling plans.
- **Step 4:** On Thursday afternoon, all departments are informed of the days they are allowed to make announcements. The finalised grid is shared with the prime minister and ministers.

Source: Own work based on GCS (2020[8]), *A Guide to Campaign Planning*, https://gcs.civilservice.gov.uk/guidance/marketing/delivering-government-campaigns/guide-to-campaign-planning-oasis/.

Towards a robust strategic planning process for public communications in Brazil

A public communication strategy can unify efforts, optimise the operations of communication departments and establish coherent and relevant messaging (OECD, 2020[1]). It can help bring citizens closer to the government through instilling consistency across short-, medium- and long-term goals, as well as horizontally across an institution. Ultimately, by supporting interactions between individuals and governments that are relevant and coherent, such efforts can help establish more positive and trustful relationships. Particularly within the public sector, where it is important to distinguish between public communication and political messages, a strategy is a key guiding instrument in this regard (Gelders and Ihlen, 2010[9]). For example, the government of Finland underlines the importance of public and political communication within its strategy and official manual but calls on entities to clarify the distinction explicitly and build on the former to promote a culture of openness (Government of Finland, 2016[10]).

The OECD defines a communication strategy as a written document adopted for the medium to long terms that outlines key elements such as "who carries out specific activities", "for which audiences", "through what messages", "for what reason" and "towards which organisational goals" (OECD, 2020[1]). It provides a forward-looking vision of the entire communication cycle, from the early stages of planning, co-ordination, implementation, to those of their evaluation. While a communication strategy is a guiding document for an entire organisation's outreach, a plan lays out the specific timelines, tactics and resource arrangements to convey a specific message or policy to their audience. The two documents are mutually reinforcing, as communications strategies are of little use without plans to see them through, and communication plans risk being unfocused or arbitrary without a guiding whole-of-government vision.

The institutionalisation of public communication through dedicated strategic documents is a widely adopted practice in the Latin America and the Caribbean (LAC) region (OECD, 2021[2]). In fact, out of seven LAC countries surveyed by the OECD, four declared to have a dedicated communication strategy and/or plan, one a communication policy and another thematic plans (Figure 5.1). Acknowledging strategies as important instruments to support the strategic foresight that communication requires to be effective, evidence suggests that CoGs in the LAC region have focused on designing implementation mechanisms to strengthen the attainment of the objectives set therein.

Brazil is no exception, where the government has made important progress in consolidating a whole-of-government strategy for public communication. With SECOM and Casa Civil working together to ensure the right information is communicated to the public at the right time, through the right channels and with the right measurement mechanisms in place to evaluate success, Brazil has undertaken initial efforts to establish a robust planning framework. The strategic elements of this regime were laid out in 2019 in a communication strategy (*Plano de Comunicaçao de Governo*) and devolved plan (*Planejamento Estratégico SECOM 2019-2020)*. The documents articulate the way forward for the implementation of the government's overarching vision for public communication and set sectoral priorities for key line ministries.

In addition to these, SECOM develops stand-alone communication plans to address specific themes, programmes, reforms, policies and accomplishments.

Figure 5.1. Availability of public communication strategies in the LAC Region
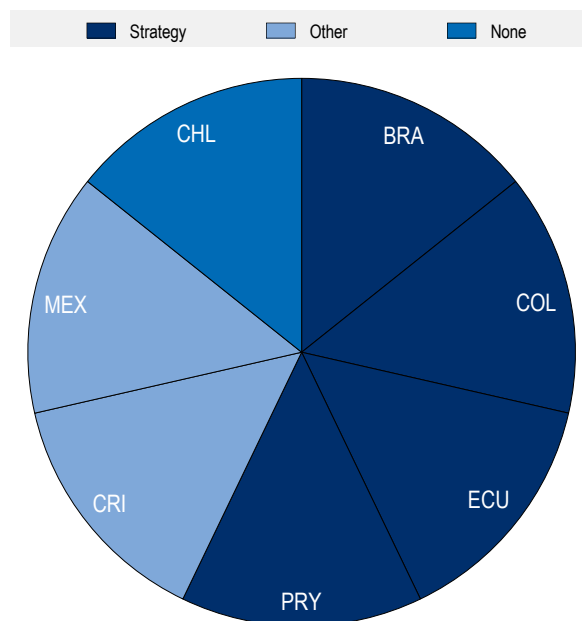
The *Plano de Comunicaçao de Governo* outlines the government's commitment to public communication in support of a "prosperous, fair and secure Brazil". The document underlines the importance of transparent, up-to-date and relevant communication on key government actions as a precursor to "stimulate the participation of society in the debate, formulation and monitoring of public policies". The plan underlines how a unified communication strategy will help the government of Brazil accomplish its goals and sets a key message that the Brazilian government is committed to "taking its place among the great nations of the world" by rooting out bureaucracy and corruption and committing to economic development. To achieve this, SECOM is tasked with implementing a communication strategy focused on direct communication with citizens that are integrated across government, based on effective and efficient methods to communicate on issues of social interest.

While the *Plano de Comunicaçao de Governo* outlines the broad strokes of the Brazilian government's communication vision and its key objectives, the *Planejamento Estratégico SECOM 2019-2020* addresses the execution of the plan in much finer detail. The strategic plan begins by "diagnosing" Brazilian citizens' current view of government to identify the most important areas for improvement. It then identifies some of the key challenges for communication in the first year of the plan, including integrating communications across the government, improving press access, incorporating new technologies and combating dis- and misinformation, among others. The strategic plan lists 11 key objectives for government communication and key themes for each ministry within the government. Finally, the document lays out strategic campaigns to be carried out by the central team and detailed proposals to achieve them.

While these documents benefit from an extensive mapping informing their development, further efforts could help ensure that communication priorities better respond to the needs of government stakeholders to better distinguish political from public communication. While SECOM has gone to great lengths to tailor messages and priorities for relevant ministries, this process could be improved by involving these actors

directly in SECOM's planning process. Involvement of this sort could help ensure separation between political and public communication, by ensuring that SECOM and key line ministries retain control over the key messages and activities in response to broader sectoral needs. As discussed in the other chapters, it could also help in better articulating with the Undersecretariat for Articulation and Monitoring (SAM), the delivery unit, to frame communication around key policies and services to the public, as well as the strategic priorities of the government as a whole. Further involvement of the ministries and individuals responsible for delivery could promote buy-in for implementation and help maintain the focus of communications on neutral, policy-centric messages aimed at raising awareness, changing behaviours and providing new spaces for citizens to partake in public life.

In addition to the prioritisation process, several challenges were also raised in regard to the implementation of strategic plans. In fact, "implementing government-wide communication plans" was the most pressing challenge selected by SECOM for the OECD Survey. In particular, human resources (HR), co-ordination and perception of low added value were cited as the main difficulties in implementing the objectives and milestones set out therein. With respect to HR, survey respondents identified difficulties in ensuring the appropriate skills to design, monitor and implement adjustments. In regards to co-ordination, responses indicated the process was ad hoc rather than systemic and primarily done only for high priority cases or in response to emergencies. The perception that the communication strategy had a low added value has developed as a consequence of shifting priorities and competition between government entities. Notably, 26 out of 38 CoGs in OECD and partner countries, including all 6 respondents from the LAC region, identified producing and/or implementing communication strategies and/or plans as part of the top 3 challenges within their institution. Some countries' government, such as Ecuador, have strengthened their support for the development and evaluation of ministerial communication plans with the creation of a review committee overseeing the content of plans and monitoring their evaluation at the end of the year (Box 5.2).

Box 5.2. Review committee for ministerial communication plans in Ecuador

The General Secretariat of Communications in Ecuador, located under the Prime Minister's Office, is in charge of whole-of-government communication. In its capacity, the secretariat is responsible for the review and approval of all ministerial communication plans to ensure that activities are in line with its overarching whole-of-government strategy.

To translate the strategy into action, the secretariat created an internal Communication Plan Review Committee (*Comité de Revisión de Planes de Comunicación*) to review, analyse and approve ministry-specific directives. In this respect, the committee has reviewed a total of 110 documents, of which 65 communication plans were approved and 17 communication investment projects endorsed.

Source: OECD (2021[2]), *OECD Report on Public Communication: The Global Context and the Way Forward*, https://dx.doi.org/10.1787/22f8031c-en.

To ensure the translation of the strategic vision into action, the government could also consider the direct involvement of public communication representatives from key line ministries in the current strategic planning and prioritisation process. Such a multi-stakeholder approach would not only enrich the quality of its content but also allow for a better articulation of policy priorities, with entities such as SAM to differentiate political from public communication. The government of Turkey, for example, directly involved government staff, in addition to the political leadership, in the development of its 2019 communication strategy for such purpose (Box 5.3).

Box 5.3. Internal consultations for the 2019 government communication strategy in Turkey

In 2019, the government of Turkey created the Committee for Strategic Planning, comprising senior officials within the institution as well as staff from the Department of Communications (DoC). As part of the strategic planning process, the committee organised weekly meetings in which studies conducted by thematic sub-committees of the Strategic Development Department were evaluated. These studies compiled a series of needs, comments and input on strategic priorities from external and internal stakeholders collected through surveys.

To complement this approach, the government launched a training programme to increase the understanding of the activities within the strategy at all levels of the DoC and beyond to gain feedback on the actions and policies implemented, exchange information and encourage two-way communication. In addition, satisfaction surveys and group interviews were conducted with the staff to measure their views, attitudes and perceptions and identify satisfaction levels. Based on these meetings and initiatives, the 2019 government communication strategy was drafted and finalised drawing on the feedback, recommendations and ideas received from all government staff.

Source: OECD (2021[2]), Report on Public Communication: The Global Context and the Way Forward.

Professionalising capabilities for the strategic application of public communication

The professionalisation of the public communication function is essential in an environment characterised by rapid technology development and increasingly multi-faceted challenges. In fact, the skillsets commonly used within the public sector are said to be no longer keeping up with the fast pace of change in the societies they aim to support and improve (OECD, 2019[11]). Thus, investments in the professional capabilities of individuals carrying out the day-to-day work of public communication can bolster the government's ability to respond to the pressing challenges of the 21st century.

Strategic HR management is an effective tool to improve the efficiency, quality and responsiveness of a range of government services, from which communication is no exception. In this regard, the OECD Recommendation of the Council on Public Service Leadership and Capability (2019[11]) defines three core pillars ensuring the public service is fit for purpose, namely a values-driven culture and leadership, investing in skilled and effective public servants and responsive employment systems (OECD, 2019[12]). In doing so, governments have a key role to play from the start of the workforce planning stage, throughout training and the development of talent from performance management (Visser and Van der Togt, 2016[13]). A systemic approach to people management can provide concrete ways to achieve a more productive, responsive and accountable public service. This includes assessing the skills needed and available in relation to strategic priorities and requirements, defining new posts accordingly, ensuring policies to attract and retain in-demand skillsets, designing capacity-building measures in line with skills and capacity needs, and assessing and rewarding performance, talent and innovation.

As previously described, the government of Brazil has a relatively well-established body of public communicators within SECOM. With a full-time staff of over 100 people dedicated to specific competencies, the public communication team is highly specialised. These teams conduct communication on behalf of the CoG and provide strategic advice to ministries, public enterprises and other entities of the Federal Executive Branch. The institution's dedicated teams focus on areas such as: the development of communication strategies; communication campaigns; insight gathering; media relations and digital communications; crisis communication; internal communication; evaluation; and countering disinformation. While most members of staff are civil servants, the political appointment of senior roles may present risks in regards to differentiating political from public communication priorities framing the work of these teams.

Similar to most OECD countries, strategic HR management was nonetheless underlined by SECOM as one of the primary challenges to implementing communication competencies. Despite how well resourced this function is, officials listed implementing communication plans, communicating during a crisis and evaluating public communication as specific areas requiring additional assistance from the perspective of HR management. Survey results revealed that these challenges centre on the lack of technical capabilities of staff to ensure the delivery of highly specialised tasks, rather than the availability of HR. This is due to the fact that HR management units are often overburdened with administrative tasks and have limited resources and capabilities for more strategic people management (OECD, forthcoming).

As the arm of government providing communication support to ministries, further efforts are needed to advance the professionalisation of staff within SECOM and beyond. At present, OECD Survey results revealed that there is no formal training system in place. Indeed, this particular function is the only one out of 11 core communication competencies for which SECOM does not have a dedicated team, as it is externally contracted on an ad hoc basis. Moreover, within existing frameworks, there are no consistently defined skills required of public communicators and public servants more broadly as prerequisites for employment or to be acquired through on-the-job training (OECD, 2019[12]). Instead, hiring practices follow the market standards for educational attainment and communication skills are not distinguished from other fields of knowledge such as social science, politics or international relations. Once on board, members of staff are trained to carry out SECOM's work on an ad hoc basis, by internal or external trainers, upon request or as available. Moreover, the available training focuses on technical capabilities, use of specific software or carrying out specific job functions, such as media relations or social media use, rather than larger theoretical or strategic understandings of the discipline.

In line with recommendations from the OECD review *Innovation Skills and Leadership in Brazil's Public Sector* (2019[12]), governments have developed a comprehensive training programme focused on key strategic functions to strengthen the public communication profession. Training curricula for public communicators can help to promote the reach, relevance and sustainability of professional development opportunities (Box 5.4). Such efforts support the professionalisation of strategic communication capabilities, such as open government, audience segmentation, storytelling, data science and impact evaluation.

Box 5.4. The Netherland's public sector academy curricula for public communicators

The Academy for Government Communications assists the central government in supporting the professionalisation and training of civil servants in the communication function, and is the knowledge and expertise centre of the Public and Communication Service of the Ministry of General Affairs. Its main role is to help communication staff build professional knowledge, keep them updated on respective trends within their fields, develop learning pathways as well as create inter-ministerial networks.

All training courses are bundled in a coherent training programme, called the Learning Line. The goal is to create a more uniform training of communication staff, government-wide employability and networking. The courses are only available to civil servants. The academy offers a wide range of courses and training that include: an introductory course on communication at the national government; professional training for experienced editors, press officers and speech writers; modules on behaviour and visual communication; strategic advice and connecting leadership; and podcasts and content creation.

Moreover, the academy organises meetings to stimulate knowledge sharing through webinars on current subject themes, annual conferences for government communication, as well as learning networks around specific themes (such as inclusion or Instagram) in which colleagues share knowledge through online meetings and record them for further dissemination. In addition to training courses,

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learning networks and knowledge webinars, the academy offers an online platform, *Ons CommunicatieRijk*, in which communication professionals can share knowledge, ask questions and learn from colleagues.

A special service carried out by the academy worth noting is the management of the Communication Pool, a group of 40 strategic communication advisers and press secretaries, mainly self-employed, who have signed a framework agreement with the central government. These advisers can be hired by ministries whenever they are short on staff, or for specific strategic jobs or projects.

Source: OECD (2021[2]), *OECD Report on Public Communication: The Global Context and the Way Forward*, https://dx.doi.org/10.1787/22f8031c-en.

Developing standards for civil servants responsible for communication and defining a core capability framework for the job posts could also solidify gains achieved thus far in terms of the establishment of a robust structure for public communications in Brazil. In this regard, SECOM should closely co-ordinate with Casa Civil and the Ministry of Economy to develop a competency framework for the public communication profession. This could define different competency levels according to the job level. Furthermore, SECOM could work towards clearly defining job responsibilities for communication professionals and outlining a framework for career development which promotes mobility opportunities and professional development. This is a practice championed by countries such as Canada, France and the UK, which allow defining clear job entry points, openings for vertical and horizontal career progression and opportunities for professional development in terms of training and skills (Box 5.5).

Box 5.5. Public communication competency frameworks in OECD countries

Canada

In Canada, communication experts' responsibilities are defined as developing and implementing communication and information strategies, analysing advertising needs and developing plans, publicising activities and events as well as maintaining media relations. Moreover, specific tasks include gathering, researching and preparing internal and external communications material, evaluating communications strategies and arranging interviews and news conferences. Communication professionals should also act as a spokesperson for the organisation, and conduct public opinion and behavioural surveys to identify the interests and concerns of key groups concerned by their organisation.

France

The directory of public communication professions in France defines specific knowledge and skills required, including developing and steering the institution's overall communication strategy and overseeing implementation, co-ordination and evaluation. In particular, communication managers are responsible for co-ordinating internal and external networks, communicating in crisis situations, designing and implementing global communication campaigns, managing the budget and setting up a system for evaluating communication actions.

United Kingdom

The UK Government Communication Service (GCS) Career Framework aims to guide public officials who are looking to progress their careers in the field of public communication. The framework breaks down job roles at different levels, enabling civil servants to identify competencies and better understand what is expected of each role. In doing so, the career framework defines roles across several

communication disciplines, including external affairs, marketing, internal communication, media and strategic communication and elaborates the roles and grades available within each discipline. Moreover, it specifies different routes for vertical and horizontal advancement in the profession, which include internal movement, direct mainstream recruitment and accelerated development programmes. The framework further describes the key elements in assessing candidates: experience, strengths, ability, technical and behaviours.

The career framework also presents the GCS development offer, comprised of a wide range of opportunities to build skills and expand knowledge, including courses, training, networking and mentoring opportunities. Finally, career profiles in the form of case studies are included to exemplify opportunities available across the GCS.

Source: OECD (2021[2]), *OECD Report on Public Communication: The Global Context and the Way Forward*, https://dx.doi.org/10.1787/22f8031c-en.

Promoting the use of insights and evaluation for evidence-driven communication

Evidence-driven communication is essential to face the complex challenges of the 21st century. Such an approach builds on a strong understanding of the factors shaping the media and information ecosystem, audiences' awareness levels, attitudes and habits, as well as the short-, medium- and long-term effects of communication activities (OECD, 2020[14]). Through the collection, analysis and use of data, governments can build strategic foresight capabilities and build knowledge to improve the quality of decision-making processes. An evidence-driven communication is also at the core of promoting a data-driven public sector, which seeks to "generate public value through the reuse of data in planning, delivering and monitoring public policies" (OECD, 2020[15]).

Against this backdrop, data has become a key asset for the design of strategic-oriented communication in CoGs across OECD key partner countries, including Brazil (OECD, 2021[2]). Evidence from the OECD Survey indicates that 30 out of 38 CoGs utilise data to inform the design of communication initiatives. Its application is notably allowing CoGs to steer a whole-of-government vision, plan campaigns, target and share messages and accurately evaluate their effectiveness (GCS, 2018[16]). While the use of insights has become embedded in the profession, evidence suggests that governments have yet to exploit its strategic value for the delivery of more transparent and responsive communications. As in the case of Brazil, a large share of CoGs primarily relies on social media impression analytics, with a limited capability to collect data associated with the delivery of public services and their impact evaluation (Figure 5.2).

This section will therefore explore the challenges and opportunities for the government of Brazil to leverage a more evidence-driven approach to communicating with citizens. It will begin by examining the use of audience insights within SECOM to effectively segment and tailor messages and channels to the needs of different population groups – in particular, those traditionally underrepresented in policy making. The section will then explore the role of evaluation as an instrument to not only assess the effectiveness of communication but also to better showcase its direct contribution to key policy objectives.

Leveraging audience insights in support of a citizen-centric communication

The role of communication is about more than informing and raising awareness: it is an instrument of change. It can address people's emotions, values or perceptions of social norms to in turn design policies and reforms that are acceptable or even compelling to citizens in line with their needs. Besides the simple provision of information, the use of audience insights to inform communication can aid in the delivery of

personalised messaging to raise awareness of key reforms, expand reach to all segments of society as well as support the development and adoption of key public policies and services.

Figure 5.2. Types of data used by CoGs to inform digital communication activities
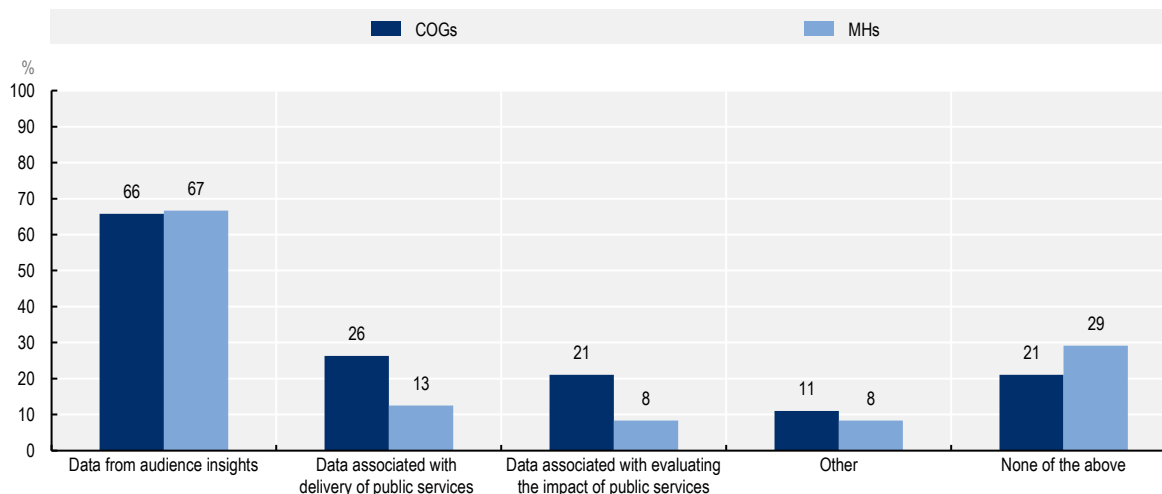
Note: MHs: Ministries of Health. Austria did not provide information for this question. Other options referred to social media statistics.
Source: OECD (2020), Centre of Government Survey: "Understanding Public Communication".

In this regard, insight gathering is defined as "the conducting of research into different segments of the population to gain a deeper understanding of their motivations, impeding factors, fears, media consumption habits and levels of understanding on a particular subject" (OECD, 2020[1]). Notably, it implies an ongoing process to understand the effects of activities throughout the communication cycle – from the *ex ante* research phase to the evaluation of its impact.

The gathering of audience insights to inform communication is an established practice in the work of SECOM. According to OECD Survey results, SECOM collects audience insights on behalf of the federal government to inform its communication planning at the design stage of each campaign, primarily through surveys, focus groups and online social media monitoring. In this capacity, SECOM has developed a dedicated manual (*Manual do Monitoramento*) to ensure the consistent monitoring of the effect of public communication in the media and online landscape (Box 5.6).

Box 5.6. The SECOM Social Media Monitoring Manual

The manual developed by SECOM outlines the monitoring process on social media carried on behalf of the federal government. Through the BrandWatch tool, SECOM utilises intelligent machine learning processes to conduct sentiment analysis, monitor the effects of messages and identify new opportunities for producing and disseminating content. As part of its objectives, the guideline also underlines measuring the performance of social media against the communication strategy. The data is complemented with insights from the Parliamentarians' Dashboard (or *Dashboard de Parlamentares*), which centralises information on key policy discussions through the display of sentiment analysis, mentions and published reports.

Source: Own work, based on Brazil's responses to OECD (2020[1]), "OECD Centre of Government Survey: Understanding public communication", OECD, Paris.

While SECOM has developed capabilities to collect and monitor data on audiences' perceptions, interests, needs and habits, evidence indicates a need to strengthen the strategic application of these insights in practice. While it identified the "segmentation of audiences to personalise communications" and the "tailoring of communication channels" as primary objectives for the use of audience analytics, OECD Survey results revealed that such insights are not considered one of the top criteria to determine communication channels. In line with these findings, stakeholders during peer review interviews indicated that challenges persist in leveraging collected insights to effectively segment audiences, personalise communications and reach previously untapped publics.

In line with SECOM's objectives, there is an opportunity to expand present audience insight capabilities to ensure the relevance and reach of communications to vulnerable segments. At present, OECD Survey results suggest that the work of SECOM does not specifically target stakeholders such as youth, the elderly, ethnic minorities, people with disabilities and lesbian, gay, bisexual, transgender and queer or questioning (LGBTQ+) groups. Tackling present communication inequalities will be fundamental to addressing information gaps and providing meaningful engagement opportunities for traditionally underrepresented groups in policy making. In the context of COVID-19, the use of plain language and the customisation of communication material by CoGs has proven to be critical in sharing complex information with different marginalised segments (OECD, 2020[17]).

Efforts to strengthen capabilities in this regard will be fundamental, as governments like Brazil must contend with capturing citizens' attention in a crowded media ecosystem suffering from information overload and the proliferation of mis- and disinformation. Grounding communication in evidence will be central to depoliticise key messages, providing reliable, clear and trusted information as well as playing a constructive role in strengthening the media and information ecosystem more broadly. To this end, SECOM could consider investing in training for staff to exploit the full potential of natural language processing and intelligent segmentation techniques that could benefit from present tools used for social media monitoring. In its capacity as a central intelligence node, SECOM should also reflect on the possibility to collaborate with the Undersecretariat for Articulation and Monitoring (SAM) and Casa Civil to develop a dashboard (potentially the *Governa* platform described in Chapter 4) and share audience data collected with the public communicators across government. This would allow key sectors to access valuable information in real time, to align the strategic direction of communication within government, as done in the UK (Box 5.7).

Box 5.7. The UK GCS Insights Dashboard for public communicators

The UK GCS is promoting the deployment of data and insight-driven messages through daily insights and evaluation dashboard for public communicators. This platform is informed by daily polling and pulse surveys collecting information on public mood, social conversation around the topic and the state of public opinion on government measures. UK GCS also conducts 3 to 4 weekly focus groups to gather qualitative insights and in turn directly share this information across government to inform the direction of their COVID-19 communication strategy and campaigns.

Evaluating the contribution of public communication to key policy objectives

Evaluation is a key building block of evidence-driven communication. As described in Chapter 4, it is defined by the OECD as "the systematic and objective assessment of an ongoing or completed project, programme or policy, its design, implementation and results…to determine the relevance and achievement of objectives, efficiency, effectiveness, impact and sustainability" (OECD, 2020[18]). Different from the practice of monitoring – understood as the systemic collection of data to measure progress – evaluation provides policy makers with information regarding the relevance and impact of initiatives, enabling the incorporation of lessons learned to improve the quality of decision-making processes.

Evaluation mechanisms and their systematic application are indispensable for governments to ensure that public communication priorities respond to citizens' growing needs and expectations. First, this practice can support more effective communication processes, by examining whether initiatives reached their target audiences and achieved their intended goals. In doing so, evaluation can provide timely insights on challenges or unintended consequences to adjust a given course of action. Second, evaluation can promote learning by building evidence on what works and what does not to inform the design of future communications (OECD, 2020[18]). When applied consistently, it can provide insights into the links between policies, their communication and the impact of specific messages. Last, evaluation can reinforce the functioning of accountability mechanisms by providing performance data on whether certain efforts are delivering against their resources allocated (Macnamara, 2020[19]).

However, OECD evidence reveals that the practice of evaluation in the context of public communication remains underutilised in most countries, including Brazil (OECD, 2021[2]). In fact, a large proportion of surveyed CoGs (14 out of 38) consider evaluation as 1 of the 3 most challenging competencies within their mandate, due to insufficient skilled staff, a lack of co-ordination between departments and limited budgets. Beyond these institutional challenges, findings also suggest the lack of formal frameworks, the focus on output measurement and the missing link with organisational and policy objectives as inhibitors constraining its application. These difficulties are no exception in Brazil, where evaluation was also considered the third most challenging competency and perceived to be of low added value.

Despite the recent efforts to develop a culture of evaluation in Brazil, as detailed in Chapter 4, the lack of an institutional methodology for evaluating public communication has inhibited SECOM from fully leveraging its potential. Whereas the recognition of evaluation in its communication strategy is an important step forward, it does not include concrete processes or build on *de jure* (i.e. regulation, formal procedures, official mandates) or *de facto* (i.e. frameworks, guidelines and procedures) mechanisms for its institutionalisation across entities.[6] According to OECD Survey results, this lack of institutionalisation has devolved into the ad hoc application of practices, exacerbating the confusion between the concepts of "monitoring" and "evaluation". To this end, efforts are needed to establish a systematic framework articulated with SAM and Casa Civil to clarify processes, align siloed evaluation efforts and improve the comparability and consistency of data collected over time. For example, the government of New South Wales (NSW) developed a framework for the evaluation of inputs, outcomes and impact to ensure coherence throughout government institutions (Box 5.8).

Box 5.8. Institutionalising evaluations in New South Wales, Australia
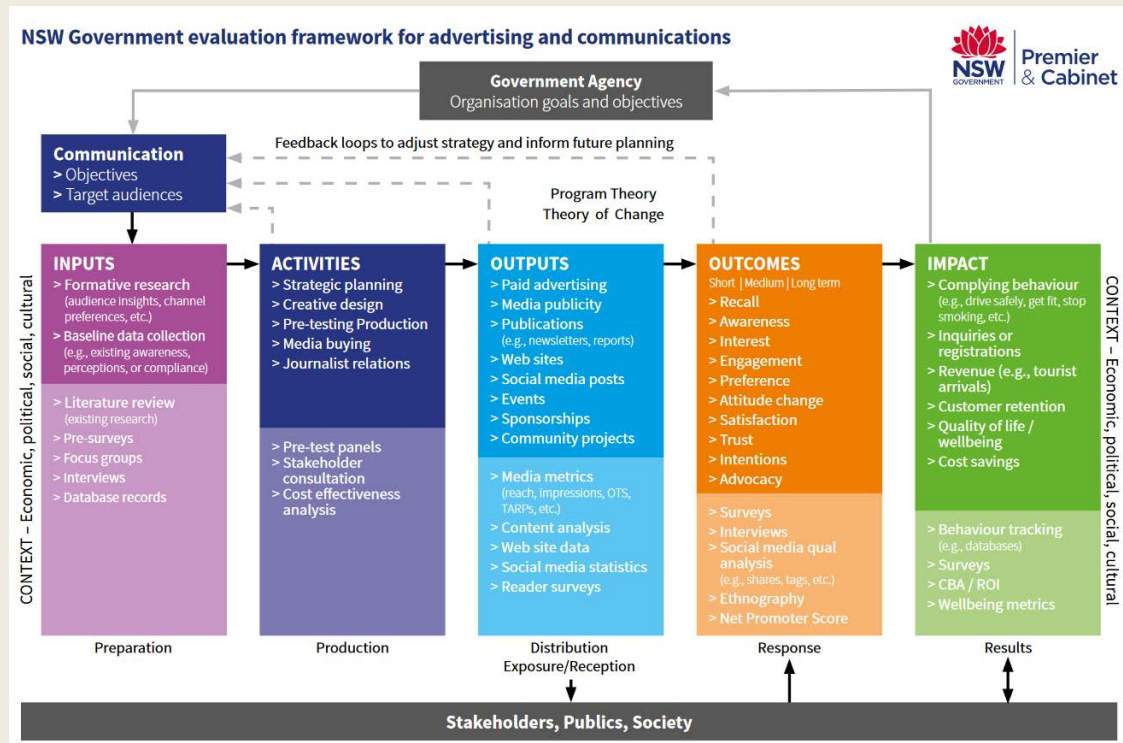
The evaluation framework of the government of NSW seeks to ensure the delivery of effective public communication by clarifying objectives, identifying different audiences and measuring the impact of activities through an institutional approach. The framework sets out the following guiding principles:

1. Set specific, measurable, action-oriented, realistic and time-bound (SMART) communication objectives that are aligned with key government goals.
2. Adopt a "programme logic" approach by identifying inputs, activities, outputs, outcomes and impact.
3. Incorporate feedback loops throughout the project to refine the strategy and adjust tactics.
4. Consider the needs of stakeholders when setting communication objectives.
5. Take into account the overarching economic, social, cultural and political context.

The framework is complemented by a set of guidelines to ensure its effective implementation. The guiding document outlines 20 steps from the identification of objectives to the selection of the evaluation methodology and the final stages of communicating and evaluating results.

Figure 5.3. The NSW evaluation framework for advertising and communications

Source: Authors own work based on Government of New South Wales (n.d.), *NSW Evaluation Framework Implementation Matrix*, https://www.nsw.gov.au/sites/default/files/2020-03/Evaluation%20Framework%20Implementation%20Matrix.pdf.

In terms of what is evaluated, OECD evidence identified a prominent focus on the assessment of outputs rather than outcomes and impact, which can limit the relevance of results. Evaluations led by SECOM primarily focus on the performance of digital communication through artificial intelligence (AI) tools, together with the application of *ex post* surveys to identify the reach and audience impressions on campaigns. During OECD peer interviews, the example of the social security reform was shared, which illustrated the capacity of SECOM to collect insights through social media channels. While this information is crucial to evaluate the immediacy and reach of initiatives, social media performance on its own is not sufficient to effectively inform policy and measure the impact of public communication. Beyond these metrics, evaluating the effects of communication through changes in stakeholder participation levels, behaviour change and uptake of public services could be an important step in this regard. The government of NSW developed a roadmap for evaluating impact metrics – such as complying behaviour, quality of life, cost savings and policy approval – together with proposed data collection methods for its consistent application across institutions (Box 5.9).

Box 5.9. Evaluating the impact of public communication in NSW, Australia

An evaluation implementation matrix complements the guidelines of the government of NSW, providing further detail under each stage of the framework. These include brief descriptions or definitions, key steps, examples, metrics and milestones, and methods for generating evaluation data.

The matrix emphasises the importance of a whole-of-society approach in considering stakeholders and other audiences throughout the full communication process. Indeed, when identifying communication activities and outputs, evaluation is necessary to quantify the extent to which a two-way dialogue is supporting stakeholders, notably in terms of advertising, media publicity and website information. It acknowledges the importance of identifying the needs, concerns, experiences and responses of stakeholders and citizens, in relation to specific programmes and their messages. Moreover, it stresses the inclusion of economic, social, cultural and political factors when setting objectives and conducting evaluations, in order to consistently readjust and revise goals.

Table 5.2. Evaluation indicators as part of the NSW implementation matrix

Stages in strategic communication	INPUTS	ACTIVITIES	OUTPUTS	OUTCOMES Short-term → Long-term		IMPACT
Brief description	What is needed to plan and prepare effective communication	What is done to produce and implement communication	What is put out or done that reaches and engages the target audience/s	What the target audience/s take out of communication and initial responses	What sustainable effects the communication has on target audiences	What results are caused, in full or in part, by the communication
KEY STEPS	Planning & preparation	Production Distribution	Exposure Reception	Attention Awareness Understanding Learning Interest Engagement Consideration	Attitude change Satisfaction Trust Preference Intention Commitment Advocacy	Target audience action/behaviour change in line with objectives Organisation ROI Social/political change Organisation change (See examples below)
EXAMPLES	Formative research Baseline data collection Budgeting Resource allocation (e.g., staff, agencies)	Creative design- novelty, affect, relevance Advertising campaign development Writing (e.g., news releases, brochures) Media relations Web site development Social media site development (e.g., blogs, Facebook pages) Publication development Event management Sponsorships	Advertising placement Web content posted Publicity volume Brochures Newsletters Videos Events staged Social media posts (e.g., in blogs, Facebook) E-mail/e-marketing Community engagement projects	Web visits Page views Video views Social media discussion, sharing, etc. Comments posted Registrations Subscriptions Inquiries	Brand equity Social media discussion Positive feedback Positive reviews Satisfaction levels Trust levels Trialling Joining Strategic relationships Partnerships	Revenue Cost savings Compliance (e.g., reduced drink driving) Customer retention/loyalty Staff retention Social benefits (e.g., public health improvement, quality of life/well-being increases)
METRICS & MILESTONES that can apply	Baselines / benchmarks (e.g., existing awareness, attitudes, compliance rates) Audience needs, concerns, etc. Channel preferences	Successful media buying Web sites/pages posted Publications, events, etc. on time on budget	Reach (e.g. audited circulation, ratings) Impressions Share of voice Tone/sentiment score Event attendance Click throughs (CTR) Unique visitors Views Cost per click (CPC) Cost per view (CPV) Cost per impression	Recall rates Likes Follows Shares Retweets, reblogs Awareness levels Registrations Subscribers Inquiry rates Positive comments	Customer satisfaction ratings Employee satisfaction ratings Trust ratings Reputation score/rating Reduced criticism Endorsements Sign-ups	Targets met (e.g., revenue, donations, reduced road toll) Cost savings (e.g., reduced health costs, staff turnover, etc.) Customer retention rates Employee retention Positive public opinion Policy approval Public support
METHODS that can be used	Literature review Market and/or social research (e.g., surveys, focus groups, interviews) Database statistics Case study analysis (e.g., previous campaigns, best practice)	Pre-testing Stakeholder consultation Expert/peer review Cost effectiveness analysis (CEA) (e.g., to compare methods and channels) Activity reports Distribution statistics Creative awards	Media metrics (e.g., circulation, TV ratings) Web statistics (e.g., views, downloads, etc.) Advertising TARPs Media monitoring Media content analysis (quantitative) Social media analysis (quantitative)	Social media analysis (qualitative) Media content analysis (qualitative) Surveys (e.g., recall, awareness) Database statistics (e.g., inquiries, registrations) Trend data over periods	Social media analysis (qualitative) Polls Surveys Interviews Focus groups Ethnography Netnography Net Promoter Score (NPS)	Database records (e.g., road toll, cancer screening rates, etc.) CRM data HR data Staff surveys Cost benefit analysis Return on Investment (ROI) Quality of life / well-being measures (e.g., DALYs)

Source: Authors own work based on Government of New South Wales (n.d.), *NSW Evaluation Framework Implementation Matrix*, https://www.nsw.gov.au/sites/default/files/2020-03/Evaluation%20Framework%20Implementation%20Matrix.pdf.

Beyond the evaluation of single initiatives, SECOM should further articulate the contribution of public communication to broader policy goals aimed at the public good through the evaluation of its communication strategy. While the strategy and plan underline the importance of their annual evaluation, survey results indicate that metrics are created on an ad hoc basis for each communication activity. Attributing concrete key performance indicators and baselines to each objective therein would support the link between public communication and value creation, as well as the ability to build historic and comparable data. Establishing such a holistic approach could also increase the relevance of results and promote their uptake to inform future communication planning, beyond serving as awareness-raising tools for the political leadership.

Communicating to promote a more open government

Public communication plays a critical role in safeguarding an open interface between the state and its citizens. Within the government, internal communication efforts can sensitise public officials on the importance of participation and open government reforms more broadly, while disseminating proper guidelines, standards, and procedures to incentivise the uptake and effectiveness of these policies (OECD, 2021[2]). Externally, the role of public communication plays an essential role in ensuring that stakeholders can engage with their government on issues that matter most to them. Utilising the public communication function in this way not only strengthens greater buy-in around key reforms but also allows public institutions to reach different segments of the population – beyond those traditionally in possession of access and influence – to improve the quality of policy outcomes and strengthen trust.

Public communication can enable the effective functioning of the three levels of stakeholder participation – from informing to consulting and engaging the public (OECD, 2017[20]). The initial stage refers to the government's capacity to share up-to-date, relevant and clear information, which can help increase accountability, combat corruption and restore trust in government. Concretely, promoting transparency enables citizens to exercise their voice in policy making, monitor government action and debate public decision-making processes. Access to information (ATI) laws are the legal framework that allows for this to happen as they set the rules for both proactive and reactive disclosure of information. However, the capacity to share information is necessary, albeit insufficient on its own. Consulting and engaging stakeholders through two-way dialogue mechanisms is therefore critical to promoting a wider diversity of voices beyond those traditionally in possession of access and influence, to avoid policy capture and to increase the relevance of policy outcomes (OECD, 2017[3]). As such, effective communication is that which seeks to promote two-way dialogue mechanisms at all stages of the policy-making cycle by, among other mechanisms (OECD, 2021[2]):

- Informing the public about the existence of participation opportunities and digital platforms for dialogue and exchange on key policy issues.
- Mobilising stakeholders to partake in consultations and innovative citizen participation initiatives.
- Equipping stakeholders with the right information to meaningfully contribute to public decision-making processes.
- Establishing dedicated opportunities for civil society, the private sector and the media to express their voice.
- Communicating how insights from consultations and broader participatory processes (i.e. citizen assemblies) were integrated into final policy decisions.

This section seeks to discuss ways in which public communication can be used in pursuit of more transparent, inclusive and participatory public sector reforms in Brazil. It will do so by analysing current communication practices and identifying potential avenues for the SECOM to strengthen the use of

two-way dialogue mechanisms and mainstream stakeholder participation to reach all segments of society, with a particular focus on vulnerable groups.

SECOM could adopt two-way communication mechanisms to promote meaningful and open dialogue with the public

Public communication can bridge the divide between governments and citizens by strengthening the interplay between these actors in the design of policies and services. Beyond its role in sharing information, it can help establish a two-way dialogue with the public, raise awareness of reforms and change behaviours. The OECD Recommendation of the Council on Open Government (2017[3]) recognises that effective communication can promote transparency and encourage the participation of stakeholders, making it a core pillar of successful open government reforms (OECD, 2017[20]).

Despite the potential for public communication to serve as a lever of open government, OECD Survey results reveal that, in practice, a unilateral information-sharing focus predominates over the use of two-way engagement mechanisms in OECD and partner countries (OECD, 2021[2]). In fact, 35 out of 38 CoGs, including Brazil, do not consider promoting stakeholder participation as a priority objective of public communication activities (Figure 5.4). Nevertheless, an approach that is grounded in the principle of participation is a precursor for promoting trust in government, which is the second most important communication objective selected by CoGs according to the OECD Survey.

Similar to 42% of CoGs in OECD and partner countries, Brazil considers promoting transparency as one of the top 5 most important objectives of its communication work. The reflection of its importance can be traced to the government's transparency framework, the presence of which can serve as a precursor for promoting the participation of stakeholders in public life. Notably, the Law on Access to Information (*Lei de Acesso à Informação*, ATI) No. 12,527 (of 18 November 2011) provides the main legal framework for proactive and reactive disclosure for all levels and branches of government in Brazil.[7] Further obligations for disclosing information at the federal level are defined by Decree No. 7.724 (of 16 May 2012), with provisions specifying what and how information should be published.[8] In addition, the open data policy (Decree No. 8.777 of 11 May 2016) provides for the development of Open Data Plans in federal bodies.[9] According to data from the Office of the Comptroller General (CGU), since 2012, the federal government has received 1 041 823 requests for information. In addition, following the adoption of the Open Data Policy in 2016, more than 10 393 databases have been published on the open data portal.[10]

Figure 5.4. Priority communication objectives of CoGs and MHs
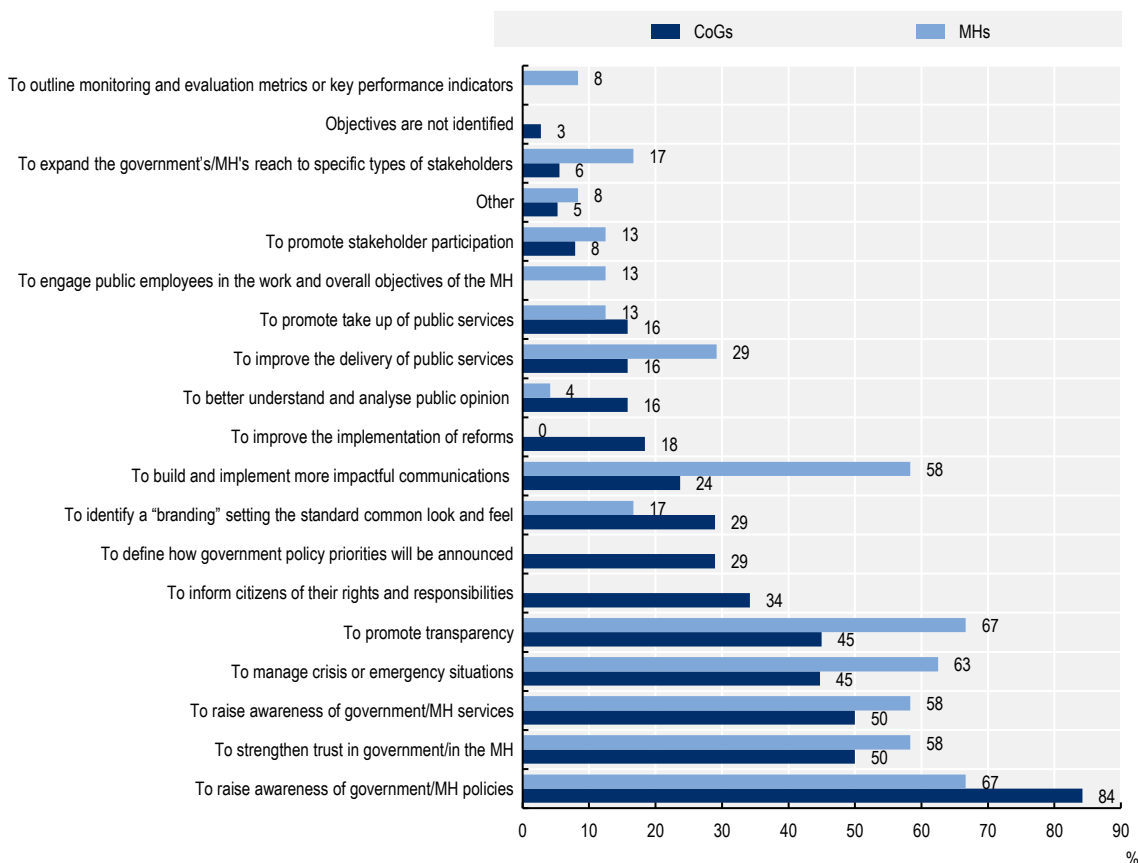
Note: N= 38 CoGs and 24 MHs. The CoG of Austria did not provide a response to this question.
Source: OECD (2020[1]), "OECD Centre of Government Survey: Understanding public communication", OECD, Paris.

The continued implementation of the ATI law and the availability of open data sets can be powerful levers to promote more strategic communication and a pathway to establish a meaningful two-way dialogue with the public. In this regard, the CGU, as the main oversight body for this legal framework, has developed a series of mechanisms and tools to promote the right to ATI, such as guides, manuals and guidelines for public officials, as well as awareness-raising videos for citizens. The CGU has also supported the organisation of awareness-raising events to promote the use of open data through contests, hackathons, datathons, meetups, data expeditions, media training and public organisations' training on ATI. In addition, the government has utilised digital communication tools, such as the Participa + Brasil platform[11] and the institutional open government website,[12] to facilitate access to information and data, as well as to serve as a channel for citizens to submit feedback on the elaboration, implementation and evaluation of policies and services.[13] Some of these tools include portals centralising information and data, such as the transparency portal,[14] Fala.BR[15] and the open data portal,[16] complemented by ministerial portals on key thematic areas. While this is a useful framework to link public communication and policy priorities linked to transparency, stronger co-ordination between the CGU, Secretariat of Government (SEGOV) and SECOM could help strengthen the implementation of this right, in particular given the present mandate of SECOM does not explicitly extend support for the ATI agenda.

Moreover, the government of Brazil has taken initial steps to gear communications for accountability but more could be done to open channels for feedback and align communication priorities with citizens' needs. At present, the focus of SECOM's communication has expanded from raising awareness around the

means of policy to communicating concrete government achievements and accountability measures. In fact, every 100 days, the government deploys a campaign to share information on the key milestones attained over the period. While raising awareness is a precondition for participation, stakeholders during interviews revealed that communications follow a top-down information-sharing model, with limited opportunities for citizen dialogue and feedback. This may be partially explained by previous findings on SECOM's prioritisation process which is based on the direct mandate of the president.

Such an approach is consistent with the way the government of Brazil communicates through digital means. According to OECD Survey results, SECOM makes use of social media as a primary channel for its communication, building on the country's rich online and information landscape. Nevertheless, OECD Survey results reveal that communication in this regard focuses on one-way awareness-raising initiatives through video and visual material sharing key information on policies and their outcomes. While the use of online communication has allowed SECOM to disseminate key messages in more direct, rapid and cost-efficient ways, the use of these tools to promote engagement and available participation opportunities is neither prioritised nor part of the government's communication strategy.

This process to consolidate the government's robust social media presence has taken place in parallel to the emergence of diverse types of accounts on these platforms – from those of personal civil servants to political figures themselves. The often-unchecked management of different types of social media accounts, beyond those of public institutions, may increase the risk of amplifying contradictory narratives, generating disagreement between other parts of government and blurring the boundaries between political and public communication (Murphy, 2019[21]). As such, setting clear attributions in existing guidelines is critical in light of the growing visibility of civil servants and political figures in Brazil as "communication ambassadors of the government". At the same time, this is all the more important considering that individual communications from high-level political leaders themselves may be prone to information disorders and may be used to amplify the spread of mis- and disinformation.

With over 88% of the population actively present on social media, the government of Brazil could benefit from utilising these platforms in a more strategic way, namely in pursuit of leveraging its interactivity and networking features. SECOM could build on its robust framework governing social media use by government entities, which includes general principles to produce content, interact with users and manage reputational risks (Box 5.10). Efforts in this regard could focus on updating and expanding the principles for personal, institutional and political social media accounts to support a more coherent presence across these platforms. Such clarity could in turn help government agencies engage more constructively with the public and make a clear distinction between the public and political nature of social media communication. However, in light of the moderate Internet penetration rate and uneven digital literacy levels across regions,[17] multichannel two-way engagement mechanisms should also be considered to counter the growing digital divide (OECD, 2018[22]).

To this end, the government of Brazil should engage in efforts to mainstream participation in the way it plans and deploys its communication on a regular basis. On the one hand, SECOM could communicate more explicitly about participation opportunities and co-ordinate with public entities leading national consultations or fora to better understand citizens' needs and concerns, to in turn define priorities for future campaigns. On the other, SECOM should promote online spaces for policy debate and feedback through social media and existing participation platforms such as Participa + Brasil[18] and Fala.BR. To this end, closer co-ordination with the responsible entities in charge of these platforms, including the Office of the Comptroller General (*Controladoria-Geral da União*) leading the federal open government agenda, could help SECOM in this regard. This would be particularly relevant given the government's social media governance framework, available social listening capabilities through AI technologies and formal online infrastructure to conduct consultations. Establishing open and direct communication with citizens will support SECOM in reaching its priority objectives outlined in the OECD Survey, including to "build trust between government and citizens", "promote take up of public services" and "improve the delivery of public services".

SECOM could strengthen the communication of participatory mechanisms for more inclusive policies

Stakeholder participation is entrenched in the democratic culture of Brazil. Through its federal governance system, the country benefits from spaces for policy debate at both the national and local levels. Notably, the stakeholder participation model is partially institutionalised through the constitution and subnational multi-stakeholder bodies (councils and conferences)[19] charged with following key policy processes. At the CoG level, the Secretariat of Government (SEGOV) co-ordinates the relationship between the federal administration and over 800 000 civil society organisations as per Decree No. 9.982 of 20 August 2019. However, the primary responsibility for the functioning of local councils lies within state authorities, which, as in most OECD countries, often lack resources and capabilities resulting in uneven practices across regions.

These spaces for participation in Brazil, however, have recently faced a series of limitations inhibiting the ability of stakeholders to engage in the debate on key policy initiatives. Following the establishment of Decree No. 9.759 of 2019,[20] an initial wave of 50 councils and conferences were disbanded, limiting the existence of these bodies to only those mandated by a specific decree (Participedia, 2019[24]). The decree also repealed the National Social Participation Policy (Decree No. 8243 of 2014),[21] introducing additional restrictions to the functioning of these bodies.

In addition to the curtailing of spaces for stakeholder participation, interviews with non-governmental actors revealed a series of challenges facing councils and government entities themselves stemming from the ad hoc nature of communications. First, the lack of consistent information sharing on the policy in question was noted to hinder the ability of council members to participate and contribute meaningfully to the overall process. Second, interviews indicated that information is sub-optimally shared between state authorities, ministries and SECOM resulting in delayed and misaligned communications. Third, the need to better communicate information pre- and post-consultations was also stressed, in particular to show how contributions were incorporated into public decision-making. To this end, interviewees noted these challenges as potential risks that may contribute to a lower appetite for participation in Brazil and growing distrust between the government and citizens.

Communicating around councils, their work and other formal participatory mechanisms is part of the larger need to open spaces for dialogue across all phases of the policy cycle and the institutional fabric in Brazil. In this regard, SECOM has a key role to play in its capacity as a central expertise node to advise and equip the secretariat and subnational authorities with the right tools and skills to communicate across the stages of the policy-making cycle – from the design of communications around participation opportunities to the dissemination of results and impact. This could in turn help strengthen the articulation between the CoG, ministries and subnational authorities to communicate with one voice. Future efforts to promote such a co-ordinated approach could build on the recent experience of cross-ministry campaigns (i.e. Semana do Brasil, Brazil by Brasil and others) to establish a set of guidelines and a "participation communication package" for national, state and council actors. A communication charter for local, national and external actors could also be envisioned to set guiding principles and improve the professionalism of communications for participation (Box 5.11).

Box 5.11. MENA-OECD Regional Charter: Public Communication for a more Open Government

The Middle East and North Africa (MENA) Regional Charter was developed with the aim of defining standards and rules to enhance the professionalism of public communication and its connection to the principles of open government. The charter's objectives include defining key values and principles, sharing insights and best practices, pooling resources and developing strategic communications. The structure of the charter underlines the main objectives, guiding principles for public communicators and a list of the actions that adherents should undertake. To do so, it covers overarching goals of improved transparency, professionalism, collaboration, networking and peer support. Ultimately, the charter aims to strengthen the two-way dialogue between governments and citizens and contribute to a more open government.

To this end, there is also an opportunity to link existing efforts with those from the federal open government agenda led by the Office of the Comptroller General to enhance the connection between communication and participation fora. For example, Finland recognises public communication as a central pillar of its whole-of-government communication strategy as well as its dedicated open government partnership plan to convey a holistic vision (Box 5.12). Such an approach could aid the government of Brazil in reframing communication around openness and promoting stakeholder participation opportunities in the framework of its open government agenda more broadly. Communicating explicitly on the open government agenda could support a narrative shift toward the conception of open government beyond an anti-corruption mechanism to that of a "culture of governance that promotes the principles of transparency, integrity, accountability and stakeholder participation" (OECD, 2017[3]).

Box 5.12. Finland's 4th Open Government Partnership (OGP) National Action Plan, 2019-23

The 4th OGP National Action Plan of Finland acknowledges public communication as one of its eight core pillars to effectively implement the country's open government agenda and as a key lever of government more broadly. It highlights the importance of strengthening internal communication to better co-ordinate and align its key messages, as well as its external communication to establish a two-way dialogue with the public. It also underlines the need to ensure that government texts, services and reforms are clear and easily understandable to citizens. This builds on the country's Central Communication Guidelines, which define openness as one of the core values governing communications in Finland.

As part of the commitments therein, the plan includes concrete activities to strengthen communication between levels of government, share good practices on effective communication and open digital feedback channels for the preparation of Finland's Open Government Strategy.

Source: Own work, based on Government of Finland (2019[25]), *Open Government Partnership National Action Plan (2019-2023)*, https://www.opengovpartnership.org/members/finland/ (accessed on 1 April 2021).

Tailoring key communication messages, channels and tools to promote more accessible and inclusive communication for all segments of society

Public communication can help expand the reach of policies and services to a wider group of actors beyond the "usual suspects" to engage with and give a voice to traditionally underrepresented groups in public life (OECD, 2021[2]). Doing so implies framing communication channels, messages and activities around different population needs with the aim of addressing delivery gaps, promoting access to public information and enabling the participation of stakeholders in policy-making processes. From a supply perspective, such a user-centric approach can "redefine how communication is conceived, delivered, and amplified by allowing more direct collaboration with civil society, private sector and influencers" (OECD, 2021[2]). From a demand perspective, governments should reflect on the content, channels and interfaces used to address communication inequalities, open spaces for two-way dialogue and promote the accessibility of key information for all segments of society, in particular vulnerable groups.

In practice, OECD evidence suggests there is room to diversify public communication efforts and target underrepresented societal groups more explicitly across the work of CoGs in OECD and partner countries, including Brazil (OECD, 2021[2]). Data suggests that close to 26% of CoGs have yet to target key groups as part of their communication work (Figure 5.5). From those that do, a moderate share of CoGs seeks to target primarily youth (49%), individuals with disabilities (44%), the elderly (38%) and women (36%). However, a comparatively lower percentage tailor efforts for groups such as ethnic minorities (31%), migrants (23%) and LGBTQ+ individuals (15%).

Figure 5.5. Specific groups targeted in the communication work of CoGs and MHs
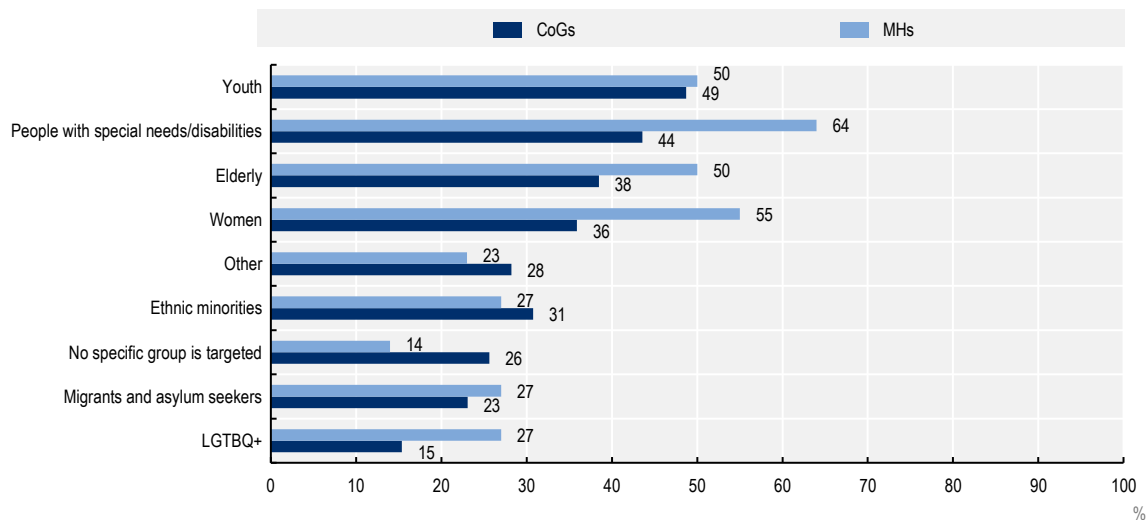
With a demographically diverse population of more than 214 million inhabitants across 26 states, tailoring communication messages, tools and channels to the needs of different segments of society will be critical to enhance accessibility and inclusiveness. SECOM's survey responses noted that its communication work does not specifically seek to target groups such as women, youth, ethnic minorities or Indigenous communities. This is consistent with the finding that channel segmentation does not use demographic and perception data from different audiences as one of its main criteria for selection. Thus, communication efforts could better reflect Brazil's diverse population, where 16% of the citizenry is aged 15-24 years and where large marginalised afro-descendent and Indigenous communities exist, represented by more than 305 ethnic groups speaking an estimated 274 languages (Index Mundi, 2020[26]; Minority Rights, 2020[27]; Kemp, 2021[28]). Similarly, SECOM must take care to ensure that vulnerable groups can access information on digital communication channels. This consideration is particularly urgent given the importance of digital communication tools, rapid and constant technological changes and that Internet penetration and digital literacy levels vary significantly across geographic and socio-economic divides in the country.

In addition to ensuring more inclusive efforts, promoting a whole-of-society public communication approach could help mobilise and engage a wider group of actors in more meaningful and relevant ways. At present, OECD Survey results reveal that SECOM does not collaborate with social media influencers, civil society, private sector actors and academia for communication purposes. Leveraging trusted voices that can relay information to harder to reach population groups can be a critical means to address communication inequalities, particularly across Brazil's diverse population. At the same time, enabling participatory mechanisms to enhance dialogue such as fora, multi-stakeholder task forces and direct partnerships with relevant stakeholders can support the design of effective COVID-19 response and recovery strategies, which according to the 2021 OECD CoG survey have been missing since the onset of the crisis (OECD, 2021[29]). Such participatory approaches are fundamental to address the "rapidly evolving and multi-disciplinary challenges in deploying effective crisis communication" (OECD, 2021[30]). The government of Finland, for example, collaborated with influencers to amplify the reach of reliable information, improve its immediacy and ensure its relevance for different population groups (Box 5.13).

Case study on business environment reform in Brazil

The government of Brazil has recognised the importance of strategically and effectively communicating about its business environment reform programme. In doing so, it has recognised the important role of this function not only in disseminating public information but also as an instrument for the delivery of key private sector policies to strengthen the Brazilian economy, such as the simplification of business operations and the attraction of foreign investment. The following section explores how some of the elements discussed throughout this chapter can support the Special Secretariat for State Modernization (*Secretaria Especial de Modernização do Estado*, SEME) within the CoG in its efforts to communicate effectively on the reform.

The high priority, cross-cutting and complex policy objectives of the reform call for the elaboration of a comprehensive communication strategy to facilitate the dissemination of key information – both to internal and external audiences – in an effective, consistent and institutional manner. At present, stakeholders during peer interviews revealed that low financial resources, insufficient skilled staff and ad hoc planning have impeded the development of a dedicated strategy in this regard. The lack of such a guiding document has in turn inhibited the deployment and co-ordination of communication efforts within the SEME and across the multiple institutions involved. By identifying clear objectives, evaluation indicators, responsibilities, target audiences and key messages, such a strategy would facilitate the co-ordination of communication activities between the SEME and the various institutions involved in this reform (OECD, 2021[2]). In fact, OECD survey results reveal that over half of CoGs make use of strategies (57%), plans (59%) or timelines (41%) to promote a proactive over a reactive communication approach (Figure 5.6).

Such a strategy would allow the SEME to ensure that communication activities go beyond ad hoc efforts to increase their reach and impact, while at the same time providing key insights into audience needs, perceptions and habits to policy teams charged with the delivery of the reform. The use of public communication strategies is a practice that has been adopted by SECOM, which could be a useful ally in providing guidance for the development of the SEME's own strategy and ensuring its alignment with the whole-of-government communication vision. In this regard, setting clear roles and responsibilities for the delivery of communication activities will be fundamental given the involvement of multiple institutions across government, including the Central Bank as well as the Ministries of Justice, Economy, Infrastructure and Commerce Development among others. The adoption of a strategic approach could also help the SEME transition from a reactive to a proactive communication on the reform's results to scale the impact of these efforts, raise awareness at the highest political levels and attract foreign investment.

Figure 5.6. Use of communication strategies, plans and timelines across centres of government
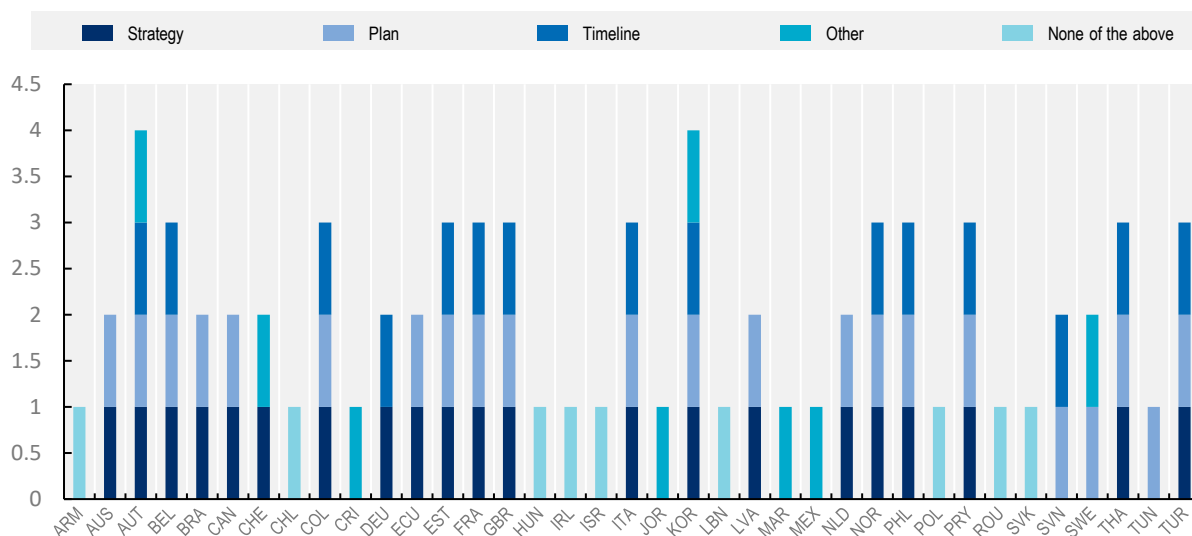
Note: n CoG= 37. The Czech Republic and Lithuania did not provide data for this question.
Source: OECD (2020[1]), "OECD Centre of Government Survey: Understanding public communication", OECD, Paris.

The tailoring of communication messages to relevant stakeholders and the selection of appropriate channels based on audience insights will be central in the design of the SEME communication strategy, given the diverse business environment in Brazil. The COVID-19 pandemic has emphasised just how critical understanding rapid shifts in public perceptions, demands for information and information voids faced by certain groups can be to ensure communication efforts reach their intended objectives. As such, understanding the needs, perceptions, awareness levels and media consumption habits of key actors that make up the private sector fabric in Brazil, including harder to reach groups like small- and medium-sized enterprises (SMEs) and informal businesses, will be crucial to designing relevant communications and informing activities of the business environment reform programme. This could be done in close co-ordination with SECOM, which conducts audience insights analysis regularly and centralises a repository of perception data and social media activity that could inform efforts for the reform programme. Across OECD and partner countries, evidence suggests that nearly two-thirds of CoGs use audience insights on a quarterly (27%) or ad hoc basis (41%) to inform communication planning (OECD, 2021[2]).

An evidence-driven strategy would also benefit from including a clear evaluation framework to understand how communication activities are contributing to key policy objectives. As mentioned in Chapter 4, allocating impact indicators to activities within the strategy could help assess effectiveness, promote institutional learning and align communication results with the strategic objectives of the reform (OECD, 2021[2]). Such an approach would be consistent with the SEME's drive to draw on data, including international indicators, to inform the implementation of the reform and disseminate key achievements to citizens. OECD countries, including the UK, for example, make ample use of evaluations to demonstrate the short- and long-term impact of their communication campaigns – such as promoting trade, increasing tourism and strengthening quality education – which is proving useful in ensuring the visibility of results with political leaders and securing investments to further professionalise this function (Box 5.14).

Partnering with third-party messengers can also provide meaningful ways for the SEME to communicate technical policy information to a wider audience in more effective and accessible ways. With close to half of Brazilian economic activity in the informal sector (ILO, 2021[32]), working with community leaders, civil society and small businesses can be a key means to amplify messages, improve their immediacy, provide a sense of familiarity and simplify technical policy issues. The involvement of trusted voices can also help

amplify the government's message and address the risk averseness of certain institutions to communicate around the reform, as mentioned during the OECD peer review.

Box 5.14. The GREAT Britain Government Campaign

The GREAT Britain Campaign is a ten-year flagship international marketing effort of the UK to promote growth and support economic activity in key policy sectors, such as tourism, education and trade. The campaign developed by the Government Communication Service provides a unified platform for international communication efforts from multiple government actors, such as the Department for International Trade, Visit Britain, the British Council and the Foreign and Commonwealth Office.

A sophisticated methodology was designed to evaluate the economic results and impact of the communication campaign using a three-tier model. With an analysis of internal return on investment from evaluation teams within each involved department, the GREAT team aggregated this data and conducted an overall appraisal and assessment of the business effects to improve policies for the private sector, which were reviewed by the National Audit Office.

The campaign showed incremental economic returns of GBP 2.7 billion, with GBP 1.77 billion from international and domestic tourism, GBP 720 million from trade and foreign direct investment, and GBP 228 million from international education. In particular, the Food is GREAT campaign led by the Department of Food and Rural Affairs (Defra) has helped boost British trade in food and drink exports from GBP 20.1 billion in 2016 to more than GBP 22 billion in 2017-18.

Source: Adapted from OECD (2021[2]), *OECD Report on Public Communication: The Global Context and the Way Forward*, https://dx.doi.org/10.1787/22f8031c-en.

Across OECD members and partners, CoGs are collaborating with external actors (62%), such as the media (12 out of 24), civil society (12 out of 24) or businesses (7 out of 24), for communication purposes (OECD, 2021[2]). Tapping into private sector expertise, its data and sophisticated communication methods could be a valuable means for the SEME to expand the reach of its efforts and fill existing gaps in the design, planning and execution of its communication strategy for the reform. Examples of this type of collaboration in Australia, Portugal and Singapore demonstrate the potential to increase the impact, reach and credibility of key government messages (Box 5.15).

Box 5.15. Collaborations with influencers and businesses in Australia, Portugal and Singapore

Partnerships with local businesses and influencers can help increase the reach and credibility of public communication efforts. In Singapore, for example, the international branding campaign "Passion Made Possible" developed by the Singapore Tourism Board alongside the Economic Development Board, placed small businesses, artists and citizens at the centre to highlight the best the city has to offer. Its main objective was for foreign audiences to feel a personal connection to Singaporeans and increase the level of tourism as a result. This campaign was launched in the Philippines, supported by Filipino citizens with deep ties to Singaporeans, and resulted in 700 000 locals travelling to Singapore – a record of arrivals in the country. The campaign was awarded a prize at the 16th Philippine Quill Awards, which is an annual competition recognising excellence in communication led by the Communication Management Division.

> In Portugal, the government partnered with Missão Continente, a supermarket brand committed to sustainability, for the communication campaign "Portugal Chama. Por Si. Por Todos". The private enterprise was involved to discuss the best strategy to communicate sustainability issues, for example by sharing knowledge and resources to educate the public surrounding forest fires and ways to prevent these. The campaign reached close to 7 million Portuguese citizens through television advertisements.
>
> Source: Author's own work based on OECD (forthcoming[33]), Public communication" after COVID-19: Emerging trends and practices from across the OECD for more effective public communication in Southeast Asia", OECD, Paris; Missão Continente (n.d.[34]), *Portugal Chama. A Missão Continente está lá*; Sonae (2019[35]), *Missão Continente associa-se a "Portugal chama. Por si. Por todos".*

Areas of opportunity for the business environment reform

In support of a more strategic approach for the communication of the reform, the SEME could focus in the short term on elaborating a dedicated strategy encompassing its main objectives, activities, key messages, target audiences, channels for dissemination, timeline, roles and responsibilities, and key performance indicators. Such a strategy would benefit from making use of audience insights to identify the most successful means for communication efforts to reach its intended target groups. Establishing a clear evaluation framework would also support the SEME in assessing the effects of communication and link its impact to key policy objectives of the reform.

The SEME could explore opportunities to partner with influencers, community leaders and businesses for the delivery of communication efforts concerning the reform to enhance their impact, reach and credibility.

Recommendations

The government of Brazil recently embarked on a reorganisation of the public communication function to consolidate a whole-of-government expertise node and promote the professionalisation of related structures and processes. In doing so, Brazil is taking important steps toward the establishment of more strategic public communication, which will be central as the country faces economic and socio-political pressures exacerbated by the COVID-19 pandemic. As part of this transition, the government of Brazil should focus on reinforcing the role of public communication as a lever of government, an enabler of the open government principles of transparency, integrity, accountability and stakeholder participation, and an instrument for strengthening democracy (OECD, 2021[2]).

OECD analysis suggests, however, that public communication remains underutilised as an instrument for policy making and open government reforms. As it transitions from a tactical to a strategic communication approach, the government should continue efforts to institutionalise key processes, enhance multi-level co-ordination and professionalise core capabilities in this regard. In doing so, the government must pursue an evidence-driven communication approach as part of its whole-of-government strategy to better respond to the needs of different audiences and show its contribution and impact on broader policy objectives. Building on existing formal participatory mechanisms at the federal and local levels, communicating around participation opportunities will also be needed to establish an open and meaningful dialogue with the public across the different stages of the policy-making process, in particular vulnerable groups.

To this end, the government of Brazil could consider the following recommendations:

Recommendations

- Clarify public communication processes, roles and responsibilities to reduce potential duplications, streamline working methods and align internal and external messaging.
  - o Codify key public communication processes through a manual, guidelines or decrees to ensure consistency in the role and mandate of public communicators over time. These guidelines should also include concrete information regarding roles and responsibilities. The institutionalisation and alignment of communication processes may in turn support efforts to depoliticise this function and help address existing co-ordination gaps.
  - o Make use of SECOM's whole-of-government communication strategy to map specific attributions for each institution and link tasks with the objectives therein.
- Establish a formal framework for vertical and horizontal collaboration among public communicators in key line ministries led by SECOM to address existing co-ordination gaps.
  - o Formalise and professionalise the existing Government Communication System of the Federal Executive Branch (SICOM) network of public communication professionals in public authorities setting its overall mandate and vision. Expand its activities to host regular meetings with the aim of sharing results of key activities, fostering the exchange of good practices, defining communication priorities, developing technical guidance material and organising capacity-building training.
  - o Engage in a consultation exercise with members of the network to identify and establish joint working methods, a calendar of activities and digital tools and channels to promote greater engagement between peers.
- Establish a formal prioritisation process to define key communication objectives for SECOM's forthcoming whole-of-government strategy and plan.
  - o Conduct a mapping of internal needs through an open consultation process with representatives from key line ministries to improve the overall quality of the strategy and plan and promote buy-in around its implementation. A more inclusive prioritisation process will be key in depoliticising communication priorities across levels of government.
  - o Strengthen the articulation with the Undersecretariat for Articulation and Monitoring (SAM) in the definition of key policy priorities within SECOM's whole-of-government communication strategy and plan.
- Reinforce the support and advisory role of SECOM in the development, design and evaluation of ministry or initiative specific communication plans through dedicated guidelines and templates. SECOM could also consider establishing an official strategy committee charged with reviewing the content of ministry or sector-specific communication plans, overseeing their evaluation and providing guidance in subsequent planning periods based on lessons learnt.
- Develop a comprehensive training programme to help professionalise the strategic application of core communication competencies.
- Conduct a mapping of skill gaps within and beyond SECOM to request relevant training according to the needs of different institutions.
- Formalise communication training curricula in collaboration with the Brazilian National School of Public Administration to enhance their relevance, reach and sustainability.

- Involve SECOM, the Ministry of Economy and Casa Civil in the development of a dedicated competency framework for the public communication profession. Such a framework could define the skills, knowledge and attributes needed to perform this function. SECOM could also work towards outlining a framework for career development which promotes mobility opportunities and professional development.

- Promote more inclusive and responsive communication through the strategic application of audience insights to effectively segment publics, personalise messages and channels, as well as ensuring accessibility for harder to reach and marginalised groups.

  o Provide technical training for staff in public communication units to exploit the full potential of natural language processing and intelligent segmentation techniques.

  o Consider the creation of an insights dashboard for key sectors to access relevant and timely audience data, including perceptions, social media analytics and information from past surveys and focus groups. The dashboard may be developed by SECOM in close collaboration with SAM and Casa Civil to expand its utility to other internal publics.

  o Develop a specific engagement plan tailored to the needs of vulnerable segments of the population to address potential communication inequalities.

- Develop a framework for evaluating public communication activities with guidance on potential methods, indicators and processes to ensure its consistent application.

  o Define specific output, outcome and impact metrics as part of this overarching framework, including indicators such as changes in behaviours, levels of stakeholder participation or take-up of public services.

  o Attribute concrete key performance indicators and baselines to each objective in SECOM's whole-of-government communication strategy and other relevant sectoral plans to strengthen the articulation between results and their contribution to policy priorities.

- Strengthen communication on participation opportunities and the use of two-way engagement mechanisms to promote open and meaningful dialogue with citizens.

  o Communicate regularly about available consultation and other participation opportunities, building on existing mechanisms such as activities ran by councils and Participa + Brasil.

  o Beyond social media, make use of available digital platforms, such as Participa + Brasil, to crowdsource relevant contributions from the public and establish online spaces for dialogue on key policy issues.

  o Strengthen the articulation between SEGOV, SECOM and the Office of the Comptroller General to link future communication activities with those within the open government agenda. Such an agenda could create a narrative for open government reforms focused on a positive relationship between government and citizens based on information, two-way dialogue and participation.

- SECOM should advise and equip the General Secretariat and subnational authorities with the right tools to effectively communicate around participation and support the activities of councils.

  o Develop dedicated guidelines or a participation outreach package for national and state actors with concrete processes, templates and communication material.

  o Consider the establishment of a national communication charter for local, national and external stakeholders setting general guiding principles that build on the rich diversity of practices and needs across different regions.

- More effectively tailor messages, tools and channels to the specific needs and consumption habits of specific segments of society to address existing communication inequalities and connect with and give a voice to vulnerable groups. To this end, SECOM should lead an initial mapping of audiences to understand the opportunities to engage with youth, women, the elderly, ethnic and indigenous groups, LGBTQ+ individuals as well as other marginalised communities through its communication work.

- Establish mechanisms, such as multi-stakeholder task forces, for SECOM to collaborate with external experts in the design and deployment of key communication activities that are grounded in evidence and trusted sources of information. These mechanisms could also include partnerships with influencers, civil society and businesses with the aim of expanding the reach of key information to vulnerable groups, promoting democratic engagement and transparent public interest-driven communications.

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Notes

[1] Misinformation is defined as false information that is shared without the intention of causing harm, whereas disinformation is false information knowingly shared to cause harm (Matasick, Alfonsi and Bellantoni, 2020[36]).

[2] The OECD Survey on Public Communication (2020[1]) collected evidence on the underexplored role of public communication and identified various trends, practices and challenges across CoGs and ministries of health (MHs) in the OECD membership and beyond. The data collection period took place from 2 February to 7 June 2020 and was followed by a robust validation process with all countries. The OECD received a total of 39 responses from CoGs and 24 from MHs, which form the basis for the *OECD Report on Public Communication* (2021[2]).

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[5] Existing SECOM guidelines and manuals include: guidelines for the use of the government's brand (*Orientações para o uso da marca do Governo Federal*, http://antigo.secom.gov.br/atuacao/publicidade/orientacoes-para-uso-da-marca-do-governo-federal), guidelines for the use of visual identity (*Identidade visual*, https://www.gov.br/sudene/pt-br/canais-de-atendimento/imprensa/identidade-visual), a public communication directives manual (*Manual de Diretrizes: Identidade Padrão de Comunicação Digital do Poder Executivo Federal*, http://antigo.secom.gov.br/acesso-a-informacao/manuais/arquivos/manual-de-diretrizes.pdf/view), among others.

[6] Institutionalisation is understood as "the establishment of evaluation practices within government entities in a systematic way for their regular and consistent application" (OECD, 2021[2]). It can take different forms, from the use of *de jure* mechanisms, from regulation, formal procedures, official mandates, to *de facto* instruments, including practical frameworks, principles and guidelines.

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[11] Participa + Brasil portal, https://www.gov.br/participamaisbrasil/pagina-inicial.

[12] Open Government website managed by the CGU, https://www.gov.br/cgu/pt-br/governo-aberto.

[13] All public organisations are required to publish ongoing participation processes on their institutional websites, in accordance to the Proactive Transparency Guide (https://www.gov.br/acessoainformacao/pt-br/lai-para-sic/guias-e-orientacoes/gta-6a-versao-2019.pdf/view). Data on institutional compliance with this requirement is available at: http://paineis.cgu.gov.br/lai.

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[20] Decree No. 9.759 of 11 April 2019, https://legislacao.presidencia.gov.br/atos/?tipo=DEC&numero=9759&ano=2019&ato=279oXW65keZpWT12c.

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OECD Public Governance Reviews

Centre of Government Review of Brazil

TOWARD AN INTEGRATED AND STRUCTURED CENTRE OF GOVERNMENT

The OECD Centre of Government Review of Brazil offers key recommendations on consolidating the strategic role of the country's centre of government (CoG) in managing policy priorities and improving outcomes. The review examines the CoG's roles, mandates, and its co-ordination capacities. It provides an assessment of Brazil's ability to translate political commitments into measurable objectives and delves into its capacity to link strategic plans to outcomes. Focusing on the capacities of the CoG to contribute to the budget strategy and the federal budget, it considers medium- and long-term plans and how these align with the budgetary framework and how the budget can support policies in a coherent manner. The review also examines the CoG's role in monitoring and evaluating high-priority policy performance and how this information can be used to improve outcomes. Finally, the review assesses how Brazil can consolidate and reinforce public communication, both to pursue policy objectives and to promote a more open government.