

Highlights



July | 2012

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Introduction

In this July 2012 issue, Highlights brings information on key programs launched between March and June 2012 and the results achieved during the first 18 months of the current administration, emphasizing priority Federal Government actions.

The chapter *Brazil in Figures* presents the new results of the 2010 Census, which reaffirm the improvement in social indicators in the country, but show that inequality persists in the provision of urban infrastructure. The chapter also describes the economic scenario of the period, which combines the basic interest rate at its lowest historical level, inflation on course to converge toward the target range and employment growth, showing that the Brazilian economy has withstood the impact of the international crisis.

One year after their implementation, priority programs and actions such as Brazil without Extreme Poverty Plan (*Brasil sem Miséria*), the Pregnancy Care - Stork Network (*Rede Cegonha*) and the Strategic Border Plan (*Plano Estratégico de Fronteiras*) have already achieved impressive results, as shown in the chapter *Management Highlights*. The Caring Brazil (*Brasil Carinhoso*) action, launched in May to enhance the fight against extreme poverty among families with 0-6 year old children, has also positively impacted the living conditions of this population, either through the payment of the new Family Grant (*Bolsa Família*) benefit, which started last June, or the free distribution of asthma medicines in pharmacies of the Popular Drugstore network (*Aqui Tem Farmácia Popular*).

The *Management Highlights* chapter also features the progress achieved in the provision of quality health care services and in the increasing access to education, as well as the results of the Growth Acceleration Program (*Programa de Aceleração do Crescimento – PAC*), the My House, My Life (*Minha Casa, Minha Vida*) program and the current stage of preparations for the FIFA 2014 World Cup. The new measures to stimulate the economy, especially investment, as well as those in support of agribusiness and family agriculture for the 2012/2013 harvest are some of the actions discussed in this chapter. Other topics addressed include the results achieved in the first months after the Law on Access to Information came into effect, the numbers of deforestation in the Amazon, which continues to decrease, an assessment of actions implemented to cope with drought in the semi-arid region of Northeastern Brazil and the outcomes of Rio+20, the largest UN conference ever held.

The intense bilateral and multilateral agenda of the period, strongly marked by the economic crisis experienced by European countries, and Brazil's engagement in actions aimed to protect the country's growth from the impacts of the crisis, is discussed in the chapter *Brazil and the World*.

Finally, the main acts signed in the period are listed in the *Normative Agenda*.

The *Highlights* team acknowledges the invaluable support of Federal Government agencies, which provided the information contained herein. Comments and suggestions from readers are critical to improve the publication and can be e-mailed to destaques.secom@planalto.gov.br.

Enjoy your reading,
The *Highlights* Team

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Brazil in Figures

New social indicators

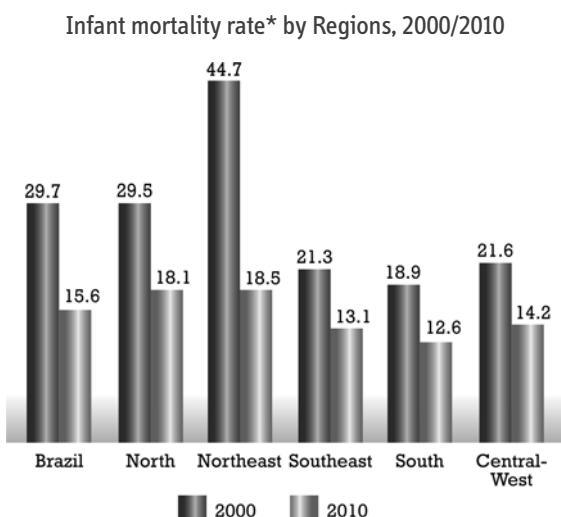
Improved quality of life gains more evidences

Lower child mortality and fertility rates coupled with better household surrounding conditions show that the quality of life of Brazilians is improving at a steady pace

LOWER INFANT MORTALITY RATE

Infant mortality rate per 1,000 live births fell from 29.7 in 2000 to 15.6 in 2010. This rate is lower than the target set for 2015 in the Millennium Development Goals, of 15.7 per 1,000 live births.

The sharpest drop was recorded in the Northeast (-58.6%), which still has the highest rate in Brazil: 18.5 per 1,000 live births.



Source: 2010 Census, IBGE.

*Death among children under one year of age by 1,000 live births

FERTILITY RATE DOWN 20% IN THE PAST DECADE

The fertility rate reduced from 2.38 children per woman to 1.9 between 2000 and 2010. The number is lower than the population replacement rate, which is estimated at 2.1 children per woman.

A decrease was recorded in all regions over the period: 23.4% in the Northeast; 21.8% in the North; 20.6% in the South; 19.0% in the Southeast; and 14.5% in the Central-West.

Another important change was the shift in the fertility rejuvenation trend observed in 2000. The fertility pattern recorded in 2010 shows that the age of women giving birth has risen in relation to 2000, when 72.4% of pregnancies occurred among women up to 30 years of age. In 2010, this percentage fell to 68.7%, indicating a relative increase in the incidence of pregnancy among women over 30 years.

URBAN CHARACTERISTICS OF HOUSEHOLD SURROUNDINGS

The quality of households can be assessed based on the characteristics of their surroundings, identified by mobility conditions and the supply of infrastructure (site identification, street lighting, paving, curb, sidewalk and wheelchair ramp) and by environmental conditions (landscaping, existence of manholes/culverts, open sewers and garbage dumped in public areas).

Some noteworthy characteristics include:

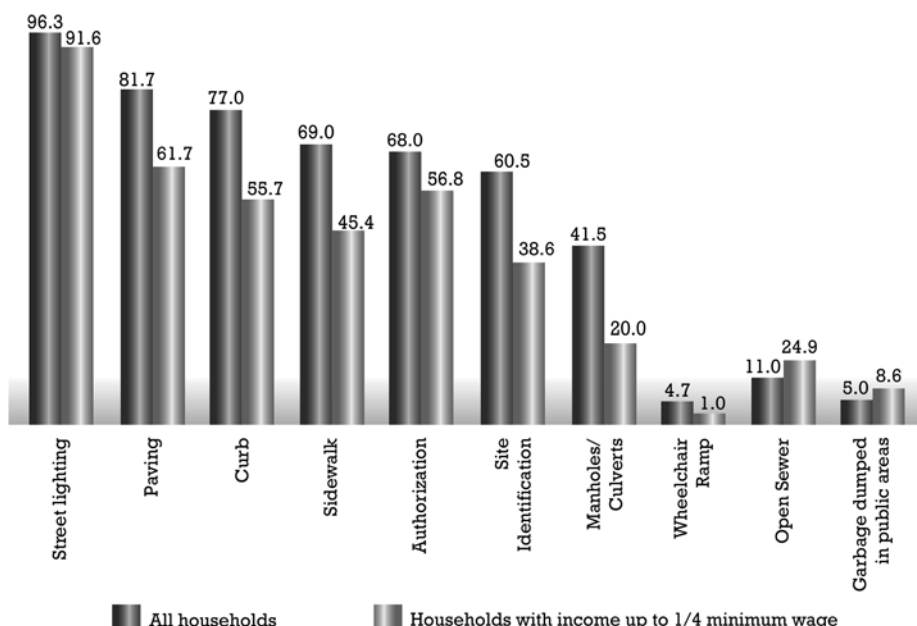
- street lighting is the most common infrastructure characteristic, available in the surroundings of 96.3% of households;
- 81.7% of urban households are located in paved streets;

- wheelchair ramps are available in the surroundings of only 4.7% of households;
- there is a low incidence of garbage dumping in the streets (5.0%) and of open sewer (11.0%).

There is a consistent relationship between the conditions of the households surroundings and

household income per capita. In general, the lower the income the higher the presence of inappropriate characteristics in the surroundings of households - such as open sewer or garbage dumped in the streets.

Percentage of urban households by characteristics of their surroundings and monthly household income per capita
Brazil – 2010



Source: 2010 Census, IBGE.

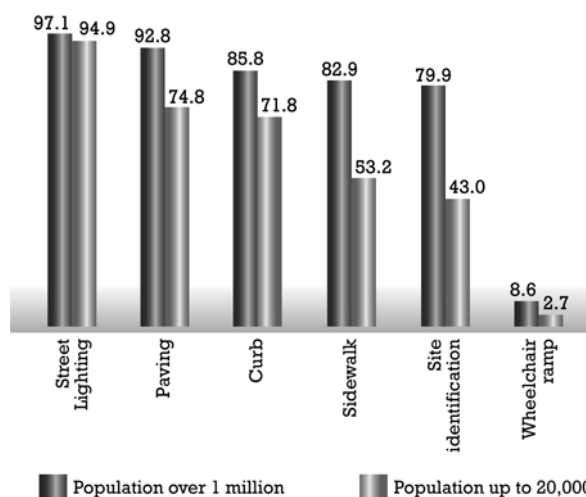
Differences by size of municipality

The conditions in the surroundings of households also differ according to the size of the municipality.

Infrastructure and mobility: the highest levels of street lighting (97.1% of households), paving (92.8%), curbs (85.8%), sidewalks (82.9%), site identification (79.9%), and wheelchair ramps (8.6%) are found in municipalities with population over one million.

At the other extreme, in municipalities with population up to 20,000, mobility conditions of the urban population are less suitable.

Percentage of urban households by mobility and infrastructure characteristics and size of municipality –
Brazil - 2010



Source: 2010 Census, IBGE.

Environment: the percentage of households with garbage dumped in surrounding areas increases with the size of the municipality: for those with population up to 20,000 (3.0%) to one million (7.4%). In municipalities with population over one million this proportion drops to 4.8%.

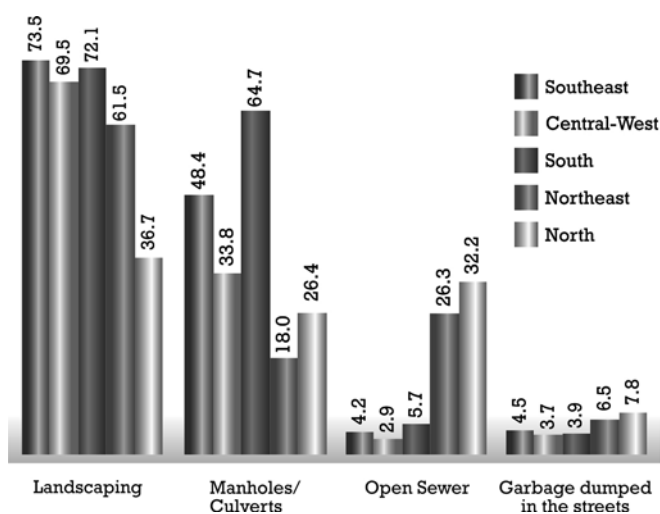
As for the existence of open sewer, the lowest proportion of households affected by this problem is found in cities with population over one million (7.8%) and the highest in cities with population between 500,000 and one million (14.3%).

Regional differences

There are significant regional inequalities in the characteristics of household surroundings.

Environment: the smaller regional difference regards the existence of accumulated garbage in the streets, which affects 7.8% of households in the North and 3.7% in the Central-West. The largest regional difference refers to the existence of open sewers, which affects one third of households in the North and only 2.9% in the Central-West.

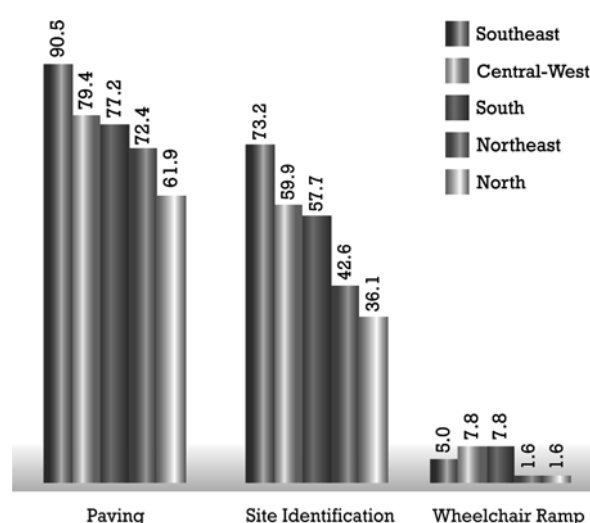
Percentage of urban households by environmental characteristics of their surroundings –Regions – 2010



Source: 2010 Census, IBGE.

Infrastructure and mobility: the surroundings of households in the North and Northeast regions are less appropriate than in other regions, with an emphasis on the difference in the percentage of households surroundings with wheelchair ramps, which is low in all regions, but negligible in the North and Northeast.

Percentage of urban households by infrastructure and mobility characteristics of their surroundings
Regions – 2010



Source: 2010 Census, IBGE.

MORE BRAZILIANS RETURN TO THE COUNTRY

The number of international immigrants increased from 143,600 between 1995 and 2000 to 286,500 between 2005 and 2010. Of these, 65.1% were Brazilians returning from abroad. Between 1995 and 2000 this percentage was 61.2%.

United States (25%), Japan (20%) and Paraguay (12%) are the main countries of origin of international immigrants. Brazilians represent 84.2% of immigrants from the United States, 89.1% from Japan and 77% from Portugal. Only 25.1% of the 15,753 immigrants from Bolivia were Brazilians.

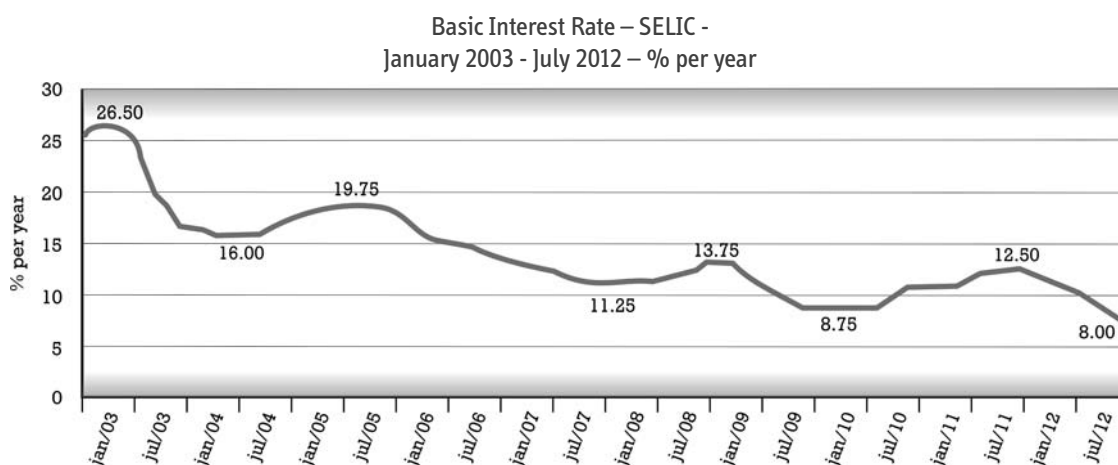
Economic scenario

Lower interest rates and maintenance of economic stability

In the first half of 2012 the macroeconomic policy combined lower interest rates with economic stability and employment growth

In July, the Selic rate (basic interest rate) reached its lowest historical level, with the target set at 8.0% per year by the Monetary Policy Committee (*Comitê de Política Monetária - COPOM*). Lower

interest rates relieve the burden on productive investment, favor the tax result and reduce the pressure of capital turnover on the exchange rate.

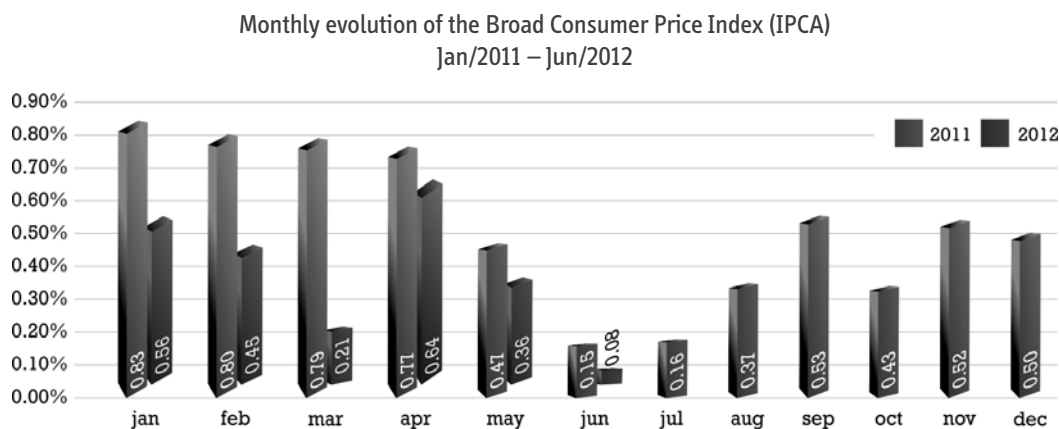


Source: Central Bank of Brazil

The inflation rate continues to drop. In the first half of 2012, the accumulated variation of the IPCA (Broad Consumer Price Index) was 2.32%, the lowest for the period since 2007.

The accumulated index in the period June/2012

– July /2011 recorded a variation of 4.92%, the ninth consecutive fall of the accumulated index in 12 months. According to the behavior of the IPCA, cumulative inflation should be close to the center of the target range of 4.5% by the end of the year.



Fonte: IBGE

Fiscal Result

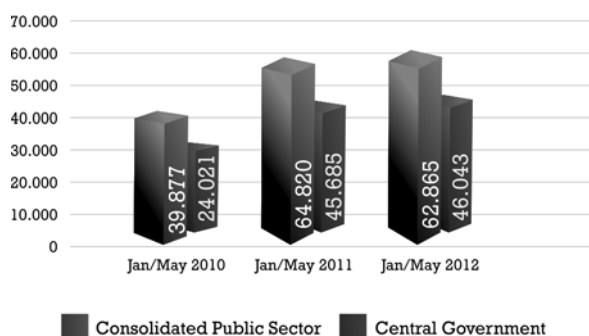
The primary surplus of the consolidated public sector (Central Government, Regional Governments and State-Owned Companies) reached R\$ 62.87 billion year-to-date from January to May, accounting for 3.55% of GDP. This result is equivalent to 45% of the 2012 target (R\$ 139.8 billion). In the first five months of 2012, the Central Government surplus - which includes, besides the Federal Government, the Central Bank and the

Social Security Institute - amounted to R\$ 46.04 billion (2.60% of GDP), virtually matching the target for the first eight months of the year (R\$ 46 billion).

The surplus achieved in the period from January to May corresponds to 47.5% of the target set for the year, of R\$ 96.97 billion.

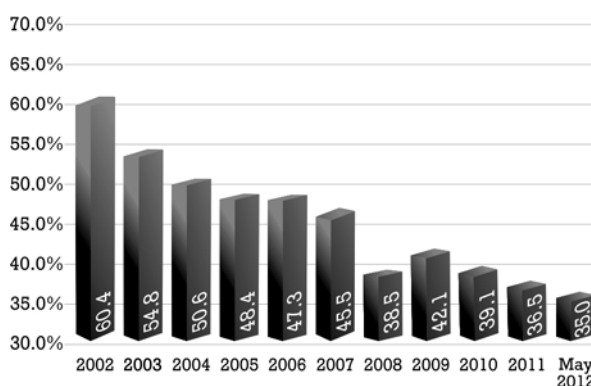
The successive primary surpluses has enabled a steady reduction in public debt. In May 2012, the net public sector debt accounted for 35% of GDP.

Evolution of the Primary Surpluses of the Central Government and the Consolidated Public Sector – January to May – 2010 to 2012 – In current R\$ million



Source: Central Bank of Brazil

Net Public Sector Debt in % of GDP
2002 - 2011 and May 2012



Source: Central Bank of Brazil and Finance Ministry

Foreign Trade and Investment

In the first half of 2012, the trade flow achieved US\$ 227.4 billion, a level higher than that of the same period in 2011. Exports totaled US\$ 117.2 billion, a decrease of 1.7% by the daily average over the first half of 2011, while imports amounted to US\$ 110.1 billion, up 3.7% on the same basis of comparison. As a result, the trade balance fell from US\$ 13.0 billion to US\$ 7.1 billion when comparing

the two periods.

The capital and financial account recorded a surplus of US\$ 40.4 billion from January to May 2012, compared to US\$ 62.6 billion over the same period in 2011. Foreign direct investment fell from US\$ 27.0 billion to US\$ 23.3 billion. Brazilian direct investments abroad increased from US\$ 2.6 billion to US\$ 6.1 billion.

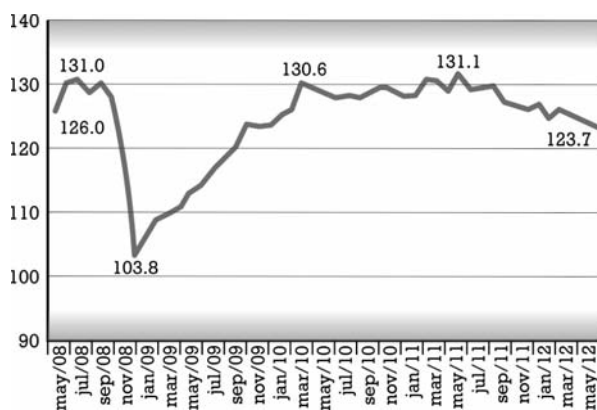
Economic Activity and employment

In the first quarter of 2012, the Gross Domestic Product at market prices grew 0.2% in the seasonally adjusted series. GDP grew 1.9% in four consecutive quarters, with an increase of 0.7% in Industry, 2.1% in Services and 0.8% in Agriculture and Livestock.

The economic sectors showed different performances in the first months of 2012. Until May, retail trade had risen 9.0% in sales volume and 11.9% in nominal revenue, with seasonal adjustment.

The volume of industrial production, in turn, decreased 3.4% year-to-date by May 2012. In a 12-month period the decline is smaller: -1.8%. However, industry maintains a high production level, and the effects of the current phase of the international crisis are less severe than those recorded in the 2008 crisis.

Industry: Physical Production - seasonally adjusted
Base: average of 2002=100

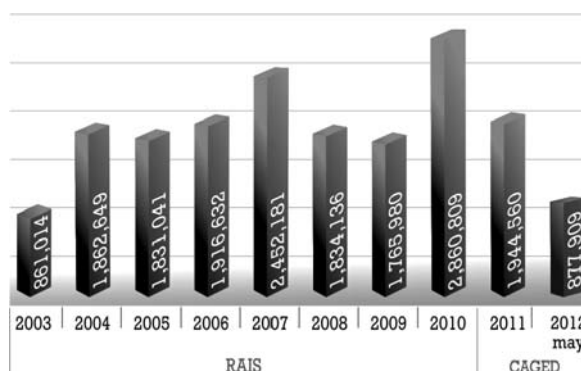


Source: IBGE

The labor market continues to grow.

A total of 877,909 formal jobs were created in the first five months of 2012 - an increase of 2.32% compared to December 2011.

Balance of jobs created between 2003 and 2012

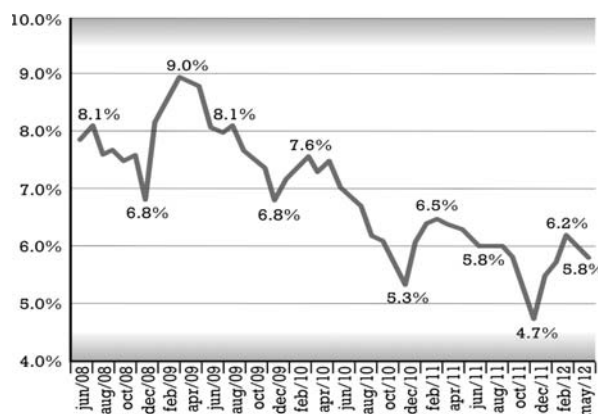


Source: MTE - RAIS (2003/2010); CAGED (2011/2012)

The unemployment rate measured by the IBGE (Brazilian Institute for Geography and Statistics) in the six largest metropolitan regions maintained the downward trend, having reached 5.8% in May, the lowest rate for that month since 2002, when the current research series started.

The formalization of the labor market continues to rise, with a 3.9% increase in formal employment and a 6.9% decrease in informal employment in the last 12 months.

Evolution of Unemployment Rates in Six Metropolitan Regions
June/2008 - May/2012



Source: Monthly employment Survey/IBGE

Note: The six metropolitan regions surveyed are Belo Horizonte, Porto Alegre, Rio de Janeiro, Recife, Salvador, and São Paulo.



Management Highlights

Eradiation of extreme poverty

Brazil without Extreme Poverty Plan (*Brasil sem Miséria*)

Several targets were exceeded in the first year of the Brazil without Extreme Poverty Plan

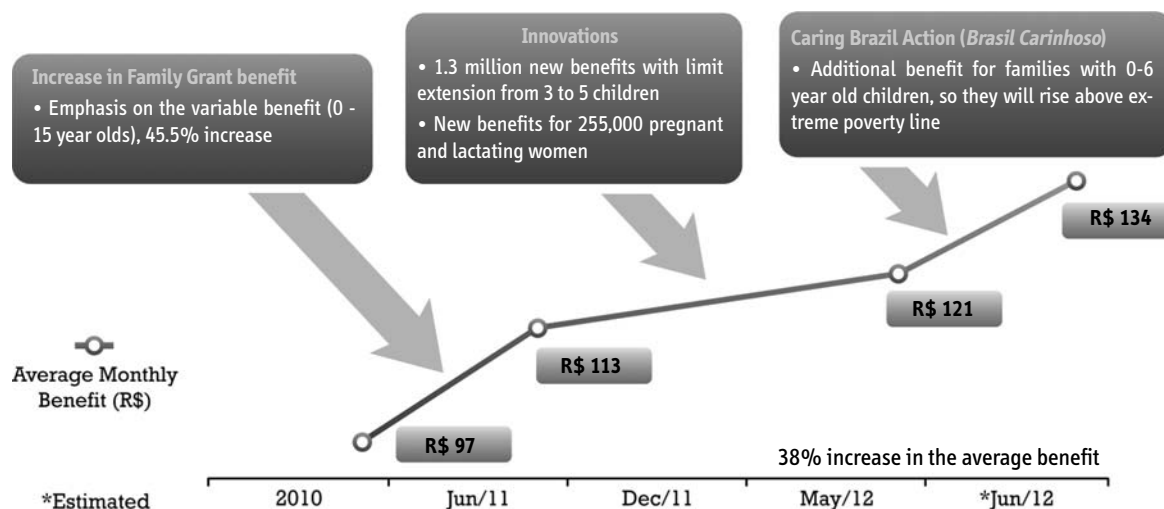
INCOME GUARANTEE

Active Search: until March 2012, 687,000 extremely poor families had been included in the Unified Register (*Cadastro Único*) and are already receiving the Family Grant (*Bolsa Família*), surpassing the target of 640,000 beneficiary families set for 2012. Most of these families (75%) live in urban centers, with 39% in cities with population over 100,000. Indigenous families, *quilombola* commu-

nities, family farmers, waste pickers, homeless people and other specific groups accounted for 14% of the total.

Family Grant: the number of beneficiaries reached 13.5 million families in May 2012, with funds corresponding to 0.46% of GDP. The average benefit increased from R\$ 97 to R\$ 134 between 2010 and 2012, a 38% adjustment resulting from the improvements promoted by the Brazil without Extreme Poverty Plan.

Increase in the average benefit of the Family Grant Program



URBAN PRODUCTIVE INCLUSION

National Program for Access to Technical Education and Employment (*Programa Nacional de Acesso ao Ensino Técnico e Emprego - Pronatec*): 256,000 places were created for people registered in the Unified Register in the 27 states. Up to May, 123,000 people were enrolled, 70% women and 44% young people between 18 and 28 years old. The places are offered to 189 different courses such as administrative assistant, seamstress, elec-

trician, caregiver for elderly persons, and computer operator among others.

Individual Entrepreneur (*Empreendedor Individual - MEI*): 171,000 new Individual Micro-entrepreneurs (MEI) enrolled in the Unified Register were formalized, of whom 81,000 are Family Grant beneficiaries. Additionally, technical assistance was provided to 23,000 entrepreneurs through SEBRAE's Business to Business Program (*Programa Negócio a Negócio*).

RURAL PRODUCTIVE INCLUSION

Around 263,000 families in extreme poverty have benefited from more than one million assistance actions.

Promotion of rural productive activities

Technical Assistance and Rural Extension (*Assistência Técnica e Extensão Rural - ATER*): guaranteed to 129,000 families of extremely poor farmers, with 35,500 families in the Northeast and northern Minas Gerais already being assisted and another 93,400 that will be assisted starting from October 2012.

Stimulus to production: by May, 11,825 families had received the first installment of the grant in the amount of R\$ 1,000. The other two installments of R\$ 700 each will be paid at six-month intervals, totaling R\$ 2,400 per family. The funds are used to implement a productive organization project developed and monitored by ATER agents.

Electricity for All (*Luz para Todos*)

A total of 114,000 extremely poor family farmers have already benefited from the Program, accounting for 44.3% of the 257,000 families to be benefited by 2014.

Water for All (*Água para Todos*)

By April 2012, cisterns had been built in 111,000 households in the semi-arid region. The plan is to deliver 290,000 cisterns by December 2012.

Green Grant (*Bolsa Verde*)

Until May 2012, 23,000 families living or working in national forests, federal extractive or sustainable development reserves, and environmentally sustainable settlements received the quarterly payment of R\$ 300 in order to continue carrying out the conservation of environmental assets.

ACCESS TO SERVICES

More Education (*Mais Educação*): in 2012, approximately 33,000 schools have already joined the program, which guarantees full-time education. In 17,000 of these schools, most of the students are beneficiaries of the Family Grant Program.

Basic Health Units (UBS): 2,105 UBS under construction in extreme poverty areas and another 5,247 being remodeled.

Smiling Brazil (*Brasil Sorridente*): a total of 442,000 dental prostheses had been produced and 100 mobile dental units had been delivered by April 2012. Also, 65 new Specialized Dental Centers (*Centro de Especialidades Odontológicas*) established in municipalities with high concentration of families in extreme poverty.

CARING BRAZIL (*BRASIL CARINHOSO*) ACTION: BENEFIT FOR OVERCOMING EXTREME POVERTY IN EARLY CHILDHOOD (BSP)

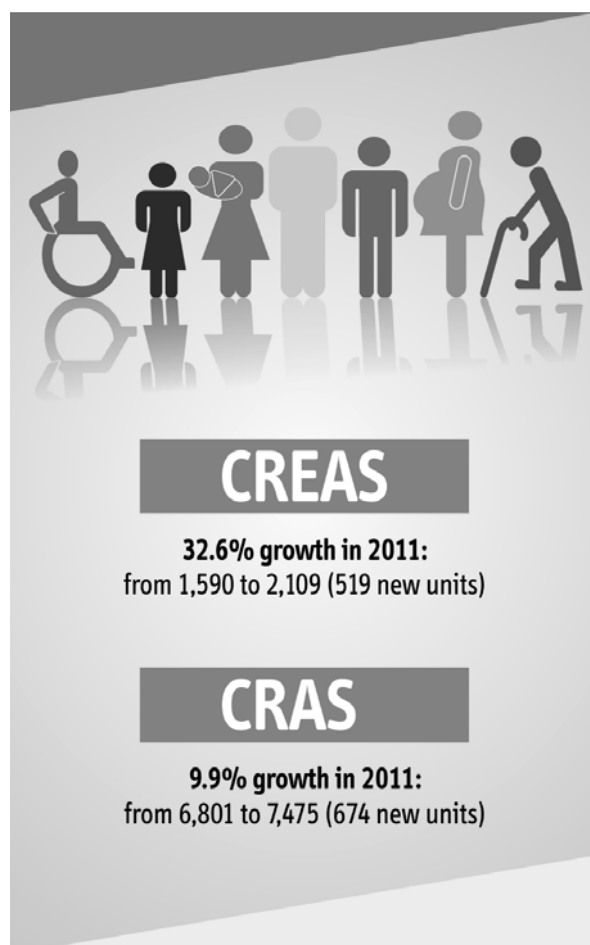
Since June 2012, the Family Grant Program has been providing an additional benefit aimed to ensure an income of over R\$ 70 per person for all extremely poor families with children between 0 and 6 years of age. About two million families will benefit from the action.

2011 SUAS CENSUS SHOWS EXPANSION IN THE SOCIAL ASSISTANCE NETWORK

In 2011, the number of Specialized Social Assistance Reference Centers (*Centros de Referência Especializada de Assistência Social* - CREAS) increased 32.6%, with the establishment of 519 units. There are currently 2,109 CREAS in the whole country.

The number of Social Assistance Reference Centers (*Centros de Referência de Assistência Social* - CRAS) has also increased with the establishment of 674 new centers, totaling 7,475 units in 2011. Active search to identify extremely poor people out of the social protection net is among the main activities of the CRAS.

For the first time ever the SUAS (*Unified Social Assistance System*) Census included a survey on Specialized Reference Centers for the Homeless Population (POP Centers). A total of 90 centers have been established in 21 states since the inception of the initiative in 2009.

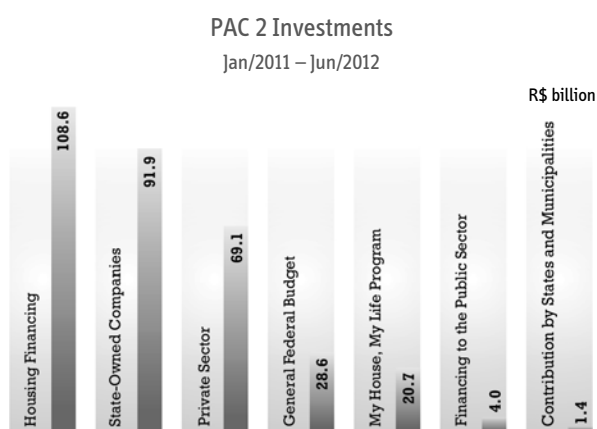


Infrastructure

PAC 2 moving at an appropriate pace

More investments to enhance and improve Brazil's infrastructure

In 18 months PAC 2 invested R\$ 324.2 billion, 34% of the total planned until 2014. The program hit a new record in the first half of 2012: R\$ 119.9 billion were invested, 39% more than in the same period of 2011.



Source: Ministry of Planning, Budget and Management

INFRASTRUCTURE WORKS COMPLETED

The infrastructure works completed represent an investment of R\$ 252.0 billion, of which R\$ 211.0 billion had been invested by June 2012, accounting for 29.8% of the works planned to be completed by 2014. The following achievements deserve special mention:

- **Roads:** 909 km finished;
- **Ports:** 12 projects completed;
- **Airports:** 16 projects delivered;
- **Equipment for side roads:** 1,275 backhoes delivered;
- **Energy system:** 3,886 megawatts added;
- **Electricity transmission:** 2,669 km of transmission lines and six substations;

- **Electricity for All:** 286,184 connections provided;
- **Oil fields:** 17 projects completed;
- **Refining and Petrochemical Industry:** 12 projects completed;
- **Fertilizers and Natural Gas:** 6 projects delivered;
- **Shipbuilding Industry:** contract signed to fund the construction of 226 vessels and 7 shipyards;
- **Sanitation:** 365 projects completed;
- **Drainage:** 21 projects delivered;
- **Urban mobility:** 1 project completed;
- **My House, My Life II (*Minha Casa, Minha Vida II*):** 799,005 housing units commissioned;
- **Housing Financing:** 661,000 contracts signed;
- **Urbanization** of 564 precarious settlements;
- **Water resources:** 17 projects; 35 sewage systems; and 95 locations with water supply systems;
- **Water in urban areas:** 383 projects completed.

WORKS PROCEED AT A GOOD PACE



- **Pre and Post-Salt exploratory wells:** 321 wells started: 161 offshore and 160 onshore; 203 completed.
- **Electricity generation:** 108 projects in progress, which will increase the country's generation capacity by 30,759 MW. Eleven hydroelectric power plants, 31 thermal power plants, 58 wind farms

and 8 small hydroelectric power plants are currently under construction.

- **Electricity transmission:** 24 lines are under construction totaling 10,212 km, besides 28 electricity transformer substations.

- **Refining and Petrochemical Industry,** with an emphasis on the following projects:

- Abreu e Lima Refinery (state of Pernambuco) – 55% completed;
- Petrochemical Complex of Rio de Janeiro – 30% completed;
- Premium Refinery I (state of Maranhão) – started.



Transport

- **Roads:** 6,299 km with works in progress.
- **Railways:** 3,061 km under construction.
- **Waterways:** 20 terminals under construction.



Social Facilities

Selected projects moving at a rapid pace:

- Petrobras platform P-59 has been officially open and will drill wells across the coast.
- 4 turbines of the Santo Antônio hydroelectric power plant have gone into operation in record time, generating more energy for the country's development.
- Over 2,000 km of power transmission lines have come into operation. One of these lines interconnects Cuiabá (state of Mato Grosso), to Rio Verde (state of Goiás). This 600 km long line, which is the central part of a 2,300 km long line, will bring energy from plants on the Madeira River to the electrical system of the Southeast.

- Concession contracts signed for the airports of Guarulhos (state of São Paulo), Campinas (state of São Paulo), Brasília (Federal District) and São Gonçalo do Amarante (state of Rio Grande do Norte).

- Seven Operational Modules completed, increasing the passenger traffic capacity in Brazilian airports by more than 8 million people.

- Dredging works completed in the ports of Fortaleza (state of Ceará), Natal (state of Rio Grande do Norte) and Santos (state of São Paulo), which will enable servicing ships with larger cargo carrying capacities.

- 99.6% of the 7,563 Basic Health Units (UBS) commissioned and 91.5% of the 270 Emergency Care Units (*Unidades de Pronto Atendimento* – UPA) selected;

- 97% of the 3,019 selected day care centers and preschools commissioned;

- 98.1% of the 2,862 selected sports courts commissioned;

- 100% of the 359 Sports and Culture Squares commissioned, in 325 municipalities of the 27 states. The construction of 35 of these Sports and Culture Squares has already been authorized.



Sanitation

- R\$ 35.5 billion invested in sewerage, solid waste, sanitation and integrated institutional development projects.
- 96% of sanitation works and projects have been commissioned, benefiting some 3,000 municipalities in all states.



Precarious Settlements

- 99% of urbanization works and projects in precarious settlements have been commissioned from R\$ 28 billion selected.



Other Infrastructure Works

- Slope retention: R\$ 595 million committed for 117 projects in 10 states.
- Water in Urban Areas: R\$ 12.2 billion committed, accounting for nearly all the R\$ 12.9 billion selected.

Mobility PAC for Large Cities

The selection of projects to be supported by the Mobility PAC for Large Cities, which aims to increase the supply of quality public transportation in Brazilian cities with population over 700,000, was completed in April. 22 municipalities will profit from projects which, due to their big impact, will improve mobility conditions for 53 million Brazilians in 51 municipalities.

Investments will total R\$ 32.7 billion, of which R\$ 10.3 billion will be provided by the General Federal Budget, R\$ 12.1 billion by funding from federal banks and R\$ 10.3 billion by states or municipalities.

The works in Mobility PAC for Large Cities include:

- 800 km of new or upgraded urban roads, with 600 km of bus lanes and 200 km of tracks.
- 7 new subway lines in 6 cities.
- 1,060 new trains and LRV.
- 381 new or upgraded passenger terminals and stations.

Economic development

Incentive to the economy

New measures to promote investment and growth in 2012

CHANGES IN SAVINGS ACCOUNTS

The new rule regarding the return on savings accounts came into force on May 4 and affects only deposits made thereafter. All the R\$ 433 billion deposited in about 100 million savings accounts that existed before the new rule will not be affected by the change.

Under the new rules, whenever the basic interest rate of the economy (Selic) exceeds 8.5% per year, savings account balances will be updated by the sum of the Reference Rate (RR) and a fixed percentage of 0.5% per month (or RR plus 6.17% per year). If the Selic rate reaches 8.5% or lower per year, the accounts will pay 70% of the Selic rate plus the RR.

The change ensures a high savings account return rate against the Selic. From January 2000 to April 2012, savings accounts paid 57.2% of the Selic on average. In 2010, this return hit a record of 70.5%. The previous rule was an obstacle to the decrease in interest rates in Brazil, because it established a minimum level for the Selic. Without this restriction, new conditions are set for reducing interest rates, thus benefiting society at large due to its impact on investments and economic growth.

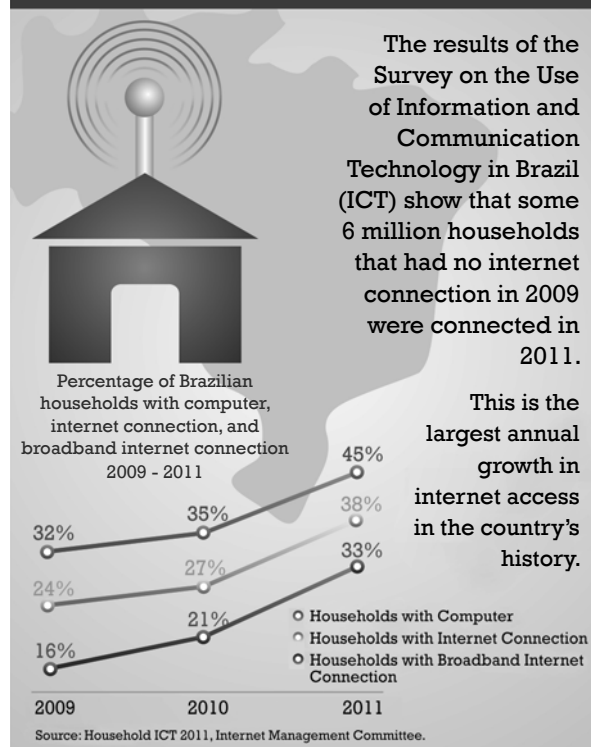
BROADBAND EXPANSION HITS A RECORD HIGH IN THE COUNTRY

Two years into its inception, the National Broadband Program (*Programa Nacional de Banda Larga*) shows excellent results.

Increased access: the number of fixed and mobile internet access increased 157%, from 28.4 million in May 2010 to 73.0 million in April 2012.

Reduced prices: by April 2012, 1,396 municipalities had internet connection at R\$ 35 per month. The connections speed is one megabit per second.

Unprecedented growth in the number of households connected to the internet in Brazil



4TH GENERATION MOBILE PHONES IN BRAZIL

The frequency ranges necessary for the implementation of 4th generation mobile telephony (4G, which enables internet connections 10 times faster than those of the current mobile phones) in urban areas and of telephony and broadband telephony in rural areas were bid in June, bringing R\$ 2.93 billion to public coffers. The ranges bid were:

2.5 Gigahertz (GHz) range for urban areas: 4th generation services will be implemented in municipalities with population over 100,000 by December 2016. In the cities hosting the Confederations Cup and the FIFA 2014 World Cup, the service will be available by April 2013 and December 2013 respectively. Thus, Brazil will be the first country in the world to provide this technology during global size events.

450 Megahertz (MHz) range for rural areas: provision of voice and data services (broadband internet) in rural areas distant 30 km from municipal seats by December 2015. The internet will also be brought into all rural public schools in the covered area.

NEW ACTIONS AND RESULTS OF THE GREATER BRAZIL PLAN (*PLANO BRASIL MAIOR*)

Funding

The Investment Support Program (*Programa de Sustentação do Investimento* - PSI), sponsored by BNDES, will receive an additional supply of R\$ 45 billion from the National Treasury for loans to the productive sector. The PSI-4 currently in effect is valid until December 2013.

Interest rates have been reduced and the repayment terms of almost all BNDES's credit lines have been extended to stimulate investment.

Reduction in Taxes and Social Contributions

Reduction in the Employer's Contribution to Social Security (INSS): increased reduction in the employer's contribution for 11 sectors more, totaling 15 sectors with the replacement of the 20% tax on the total payroll amount by a fee on sales revenue.

Vehicles: reduction of IPI (Tax on Industrialized Products) for vehicles and of IOF (Tax on Financial Transactions) on loans to individuals. In turn, the private sector has agreed with discounts on vehicle retail prices - 2.5% for 1,000cc vehicles; 1.5% for those between 1,000cc and 2,000cc; and 1% for SUVs.

White Line Appliances, Furniture and Civil Construction Laminates: IPI reductions on white line appliances (refrigerators, freezers, washing machines) and stoves were extended to August 30, 2012, and on furniture to September 30, 2012. The IPI on PVC laminates used in civil construction has also been reduced from 10% to 5%.

Telecommunications infrastructure: the government has also created the Special Taxation Regime of the National Broadband Program for the Establishment of Telecommunications Networks (REPNBL-Networks), which enables exempting investment (equipment and civil works) in telecommunications networks from IPI and PIS-COFINS taxes. The exemption will be in force until December 31, 2016. The regime will enable hastening investment in the modernization and expansion of telecommunications networks. The tax benefits are expected to lead to R\$ 15.85 billion increase in broadband investment over the next five years.

Donation to nonprofits: creation of the National Oncology Care Program (*Programa Nacional de Apoio à Atenção Oncológica* - PRONON) and the

SELECTED TAX REDUCTION MEASURES				
Measure	Sector	Previous Rate (1)	New Rate	Effective until
Reduction of the Employer's Contribution to Social Security on Payroll	Textile	2.32%	1%	12/31/2014
	Apparel*	2.32%	1%	
	Leather and footwear*	3.28%	1%	
	Furniture	2.09%	1%	
	Plastics	1.87%	1%	
	Electric Materials	1.88%	1%	
	Auto parts	2.19%	1%	
	Buses	1.72%	1%	
	Ship-building	4.59%	1%	
	Air	2.83%	1%	
	Mechanical capital goods	2.24%	1%	
	Hotels	4.18%	2%	
	Information and Communication Technology*	3.35%	2%	
	Call Center*	3.15%	2%	
	Design House (chips)	6.67%	2%	
IPI Reduction for the Automotive Sector	Automobiles up to 1000 cc	37%	30%	08/31/2012
	Automobiles from 1000 to 2000 cc	41% a 43%	35.5% - 36.5%	
	SUVs	34%	31%	
IOF Reduction	Credit to Individuals	2.5%	1.5%	

Source: Finance Ministry.

(1) In the case of tax reduction on payroll, the previous rate is the estimated rate on revenue corresponding to the 20% rate on the sector's payroll, also known as neutral rate.

* Sectors that are currently paying the 1.5% or 2.5% rate on gross revenue, pursuant to Law 12546/2012.

National Health Care Program for Persons with Disabilities (*Programa Nacional de Apoio à Atenção da Saúde da Pessoa com Deficiência* - PRONAS/PCD). The programs encourage donations to non-profits that work in preventing and fighting cancer and in providing full assistance to and promoting the integration of persons with disabilities, through the deduction of donations from the taxable income of individuals and corporations. Deductions will be effective until the calendar year 2016 for corporations and 2015 for individuals.

Investment in Ports and Railroads: Reporto (Tax System for Incentive to Modernization and Expansion of Port Structure) program, effective until December 2015, has been expanded to provide tax

benefits also to investment in storage, environmental protection and energy efficiency as well as in monitoring and security systems. The program reduces IPI, PIS-COFINS and Import taxes.

One computer per student: PROUCA (One Computer per Student) program has been reestablished, exempting the sale of computers, software and services for digital inclusion in schools from IPI, PIS-COFINS and CIDE taxes.

Trade Defense

Maré Vermelha Operation: started in March 2012, this is the largest operation ever undertaken by the Brazilian Tax Revenue Service in ports, airports and land borders to combat unfair trade. It

focuses on combating the illegal cross-border trade of consumer goods from the sectors most affected by unfair trade practices. From March to June 2012, physical inspection increased 61.7% over the same period in 2011. More than 46,000 imported items have been seized.

End of the Ports Battle: Brazilian Senate approved a resolution that ends ports battle, which encouraged imports to the detriment of domestic products. Effective from January 1st, 2013, the excise tax rate on interstate transactions (ICMS) on imported goods and merchandise has been unified at 4%.

Priority for domestic products in government procurement contracts

The range of domestic goods and services that will have a margin of preference in government procurement has been expanded. These products may, within the indicated percentage, cost more than their imported counterparts and still be given preference in government procurement.

NEW PREFERENCE MARGINS ON GOVERNMENT PROCUREMENT		
Products	Margin of Preference	Effective until
National medication using imported drugs in their formulation	8%	3/31/2014
National medication using national drugs in their formulation	20%	3/31/2017
Drugs	20%	3/31/2017
Biodrugs	25%	3/31/2017
Backhoes	10%	12/31/2015
Motor Graders	18%	
Apparel, footwear and accessories	20%	12/31/2013

New Automotive Regime 2013-2017

Automakers established in Brazil that meet the minimum requirements of investment in research and development (R&D) and engineering, internationalize production phases and join INMETRO's Brazilian Vehicle Labeling Program are entitled to an discount on Tax on Industrialized Products (IPI) of up to 30 percentage points. The discount will be conditional on the number of regional parts and raw materials, including from Mercosur, used in the production process. The higher the regional content, the greater the discount.

MINIMUM OF 3 OUT OF THE 4 CRITERIA MUST BE MET FOR ENTITLEMENT TO IPI DISCOUNTS. THE MINIMUM CRITERIA TO BE MET WILL INCREASE UNTIL 2017.

Criteria	2013	2017
R&D and Innovation	0.15% of gross operating revenue	0.5% of gross operating revenue
Engineering and Basic Industrial Technology	0.5% of gross operating revenue	1% of gross operating revenue
Textile Stages	8 of 12 stages - light 10 of 14 stages - heavy	10 of 12 stages - light 12 of 14 stages - heavy
Labeling	At least 25% of vehicles produced	100% of vehicles produced

Companies that meet investment goals in R&D and engineering above the minimum required will be entitled to an additional IPI reduction of up to two percentage points.

Companies with investment projects already approved in Brazil will be entitled to the benefits of the new automotive regime from the start of production.

EXPANDING INVESTMENT FUNDING

Long Term Interest Rate hits record low

The Long Term Interest Rate (LTIR) applicable to BNDES loans and other public funding has fallen from 6% per year to 5.5% per year. The new rate will be effective from July 1st to September 30, 2012.

New R\$20 billion credit line for states and the Federal District

The largest credit line established for the 26 states and the Federal District, called Pró-Investe, has been in effect since July 9. Totaling R\$ 20 billion and targeted at investment, it will be operated by the BNDES.

The funding cost to the states will be:

- with Federal Government guarantee: LTIR + 1.1% per year;
- without Federal Government guarantee: LTIR + 2.1% per year.

Funding may be contracted until January 31, 2013 with payment term of up to 20 years, including a grace period of up to two years.

Funds have been allocated based on the following criteria: 40% according to the distribution of the State Participation Fund (*Fundo de Participação Estadual - FPE*); 40% according to population; and 20% divided equally among all 27 units of the Federation.

The maximum funding limit for each State is available at http://www.bcb.gov.br/pre/normativos/res/2012/pdf/res_4109_v1_O.pdf.

COMPLEMENTARY PENSION FUND APPROVED FOR FEDERAL CIVIL SERVANTS

The new pension system for federal civil servants has been established. New civil servants will be entitled to a pension and retirement benefit limited to the amount of the maximum benefit paid by Social Security, which today is R\$ 3,916.20. To receive an additional amount, civil servants will contribute monthly to the new complementary pension foundations of the federal Executive, Legislative or Judicial branches. The Federal Government will match the civil servants' contribution up to the limit of 8.5%.

Civil servants hired before the enactment of the new law may choose to remain in the old system or migrate to the new one.

The establishment of the Complementary Pension Foundation for Civil Servants of the Executive Branch (*Fundação de Previdência Complementar do Servidor Público Federal do Poder Executivo - Funpresp-Exe*) will enable establishing the largest pension fund in the country as well as expanding the basis of investment funding.

SUPPORT FOR ENTREPRENEURSHIP

Individual Micro-Entrepreneur (*Microempreendedor Individual - MEI*): in June 2012, the number of formal entrepreneurs reached 2.2 million, up 35% over December 2011 (1.6 million).

National Microcredit Program – Growing (*Crescer*): from the inception of the program in September 2011 to April 2012, 1.35 million operations were contracted, totaling R\$ 1.7 billion. A total of 747,000 operations were carried out in 2012 alone.

PAC EQUIPMENT: GOVERNMENT PROCUREMENT

To encourage industrial production, the Federal Government launched the PAC Equipment (PAC *Equipamentos*) – Government Procurement Program for the purchase of machinery, ambulances, and school buses among other items. The program will entail purchases totaling R\$ 8.4 billion in the 2nd half of 2012.

In addition to increased resources, the rules for the acquisition of hospital equipment and supplies give preference to domestic products, according to the margins provided for in Decree No. 7767 of June 2012.

PAC EQUIPMENT: NEW MARGINS OF PREFERENCE		
Hospital Equipment and Supplies	Margin of Preference	Effective until
High technological complexity (scanners, pacemakers, dialysis machines, catheters, etc.)	25%	06/30/2017
Medium-to-high technological complexity (X-Ray and mammography equipment, monitors, etc.)	20%	
Medium-to-low technological complexity (defibrillators, electrocardiographs, condoms, gloves, syringes, implants, etc.)	15%	
Low technological complexity (wheelchairs, surgical tables, etc.).	8%	

PAC EQUIPMENT			
Equipments	Quantity	Price (R\$ million)	Destination
Trucks	8,000	2,280.2	Equip the Armed Forces and States and Municipalities with climate problems (drought and others)
Agricultural patrol (tractors + implements)	3,000	870.0	Increase agricultural production in Municipalities
Backhoes	3,591	650.0	Improve side roads and the flow of municipal production
Motor Graders	1,330	638.6	
Drills	50	13.5	Drill wells for the drought region
Van: Ambulance	2,125	326.3	Unified Health System
Van: Mobile Dental Unit	1,000	154.2	Unified Health System
Urban Trains (wagons)	160	721.0	CBTU and Transurb
Motorcycles	500	22.3	Federal Police and Federal Highway Police
Armored Guarani	40	342.4	Defense
Missile Launch Vehicle - ASTRO 2020	30	246.0	Defense
Buses	8,570	1,714.0	On The RoadWay to School (Caminho da Escola) Program
School Furniture	3 million	456.0	Equip schools
Total		8,434.5	

Rights and citizenship

Consolidating and expanding rights

Social dialogue and public policies to consolidate democracy

LIVING WITHOUT LIMIT (*VIVER SEM LIMITE*) PLAN

Actions being implemented across the country
The Network of Health Care for Persons with Disabilities was established to extend assistance to persons with disabilities under the Unified Health System (SUS). State Leading Groups are being established in all Brazilian states to produce a diagnosis and assess the needs for expanding and adapting the network in the cities.

Financial incentives have been introduced for the construction, renovation or expansion and funding of Specialized Rehabilitation Centers (*Centros Especializados em Reabilitação - CER*), for the purchase of permanent equipment and supplies as well as for the services of an orthopedic workshop. A total of R\$ 890 million will be invested in 2012.

MAIN OBJECTIVES OF THE NETWORK OF HEALTH CARE FOR PERSONS WITH DISABILITIES

- promote rehabilitation processes for aural, physical, intellectual, visual, ostomy and multiple disabilities;
- prevent and early identify disabilities in the prenatal, perinatal and postnatal phases as well as during childhood, adolescence and adulthood;
- increase the supply of orthosis, prosthesis and mobility aids (OPM);
- provide permanent training to health professionals;
- promote the reintegration of people with disabilities through access to work, revenue and supportive housing;
- produce information on people's rights, prevention and care measures and services available in the Network.

Increased access to education for people with disabilities

Accessible transport: funds have already been committed for the purchase of 635 wheelchair-accessible school buses by 2012, surpassing the target set for this year (609 buses). A total of 2,609 wheelchair-accessible school buses will be purchased by 2014;

Multifunctional Resource Rooms: 13,500 resource rooms and 1,500 upgrading kits were purchased in 2011 and are currently being delivered. Another 15,000 kits are in the bidding phase.

Accessible School: in 2012, 10,000 schools will be provided with physical accessibility resources.



ACCESSIBILITY: TAX EXEMPTION ON EQUIPMENT AND ON THE PURCHASE OF VEHICLES BY PEOPLE WITH VISUAL, INTELLECTUAL AND AUTISM DISABILITIES

Equipment: the importation and sale in Brazil of accessibility equipment such as Braille printers, tactile mouse, parts and accessories for wheelchairs, adapted keyboards, scanners with voice synthesizer, prostheses, hearing aids and neurostimulators for Parkinson's disease, among many others, is exempt from PIS/PASEP and COFINS taxes;

Vehicles: ICMS exemption has also been extended to the purchase of vehicles by people with visual, intellectual or autism disabilities, either directly or through their legal representatives or assistants. The decision made in April by the National Council for Fiscal Policy (*Conselho Nacional de Política Fazendária – Confaz*) will enter into force in January 2013.

AFFIRMATIVE ACTIONS

The Federal Supreme Court dismissed the claim of breach of fundamental precept (*Arguição de Descumprimento de Preceito Fundamental* - ADPF) 186 relating to the quota system of the University of Brasília (UnB), and Extraordinary Appeal No. 597285 relating to the quota system of the Federal University of Rio Grande do Sul (UFRGS), sustaining the constitutionality of the quota policy adopted in these universities. The Supreme Court has therefore recognized as constitutional the use of quota policies as affirmative actions.

FIGHTING VIOLENCE AGAINST WOMEN

Reference Centers of Assistance to Women in Situation of Violence were established in Macapá, in June. A Bilateral Reference Center of Assistance to Women in Situation of Violence and Migrant Women was established in the state of Roraima, also in June, as part of a partnership between Brazil and Venezuela. There are currently 1,011 assistance services to women victims of violence in the country.

Dial 180 (*Ligue 180*), a free 24-hour service providing information and guidance to women on the various services offered by the network to fight violence against women, recorded 201,569 calls in the first quarter of 2012. This number corresponds to an average of 2,240 calls per day, of which about 58% refer to physical violence. Besides the importance of the assistance provided, the Dial 180 service is relevant for collecting information that provides inputs for developing the policy against violence and for monitoring services within the network across the country.

More investment in libraries

Actions to build and upgrade libraries are a priority under the National Book and Reading Program (*Programa Nacional do Livro e da Leitura*) for 2012. A total of R\$ 254 million will be invested in the program as follows:

- establishment of libraries with telecentres in the Sports and Culture Squares and in libraries at the More Culture Space;
- construction and remodeling of garden-libraries and reference libraries;
- support for community libraries and reading rooms;
- establishment, revitalization and modernization of municipal libraries;
- expansion of book collections;
- training of librarians and staff of 2,700 municipal and community libraries in 1,500 municipalities in all Brazilian states.

SUGAR CANE COMMITMENT SEAL



The Committed Company seal of recognition has been established to identify and recognize companies that meet the guidelines of the National Commitment to Improve Working Conditions in the Sugar Cane Industry. Signed in June 2009 by the Federal Government and workers and entrepreneurs organizations in the sugar cane industry, the Commitment aims to improve working conditions in sugar cane plantations, and promote the occupational reintegration of workers who have lost their jobs due to the introduction of mechanized harvesting systems.

The main initiatives of the Commitment include the direct and formal hiring of workers without intermediaries (“gatos”); transparency in the assessment of production; guarantee of daily payment equivalent to the minimum wage; supply of personal protective equipment and free and safe transport; promotion of the health and safety of workers; guarantee of access to the workplace by union leaders.

After voluntarily adhering to the Commitment, companies are subject to an in situ verification mechanism of compliance with established practices, conducted by independent auditing companies accompanied by entities representing the workers. The seal aims to encourage the use of good practices by companies through recognizing their social responsibility.

In June 2012, the National Dialogue and Commitment Evaluation Commission (*Comissão Nacional de Diálogo e Avaliação do Compromisso Nacional*) awarded the good practice seal to 169 companies that had complied with all the business initiatives established under the National Commitment, whose validity has been extended to April 2013.

CONSUMERS RIGHT GAINS NEW STRUCTURE WITH THE NATIONAL CONSUMERS SECRETARIAT

Consumers Right has a new agency in the structure of the Brazilian government, with the status of national secretariat.

The National Consumer Secretariat (*Secretaria Nacional do Consumidor* - Senacon) coordinates the National Consumer Protection System (*Sistema Nacional de Defesa do Consumidor* - SNDC), formed by PROCONs, Public Defenders, Prosecu-

tors, civil consumer protection entities and consumer precincts. It also leads the National Policy of consumer relations.

Senacon’s role include:

- improving the provision of services to citizens by supporting the states and municipalities in establishing PROCONs, and civil society in organizing consumer associations;
- structuring policies on financial education for consumers in conjunction with other agencies;
- protecting personal data;
- monitoring the impact of new technologies on consumers lives;
- controlling product quality and safety by working together with partners to prevent consumption accidents and develop policies that encourage the improvement of product quality;
- assessing the impact of regulations on consumers e.g. cost reduction and quality improvement in regulated services like telephony, broadband, credit, air and land transport, and health insurance plans.

MDG AWARD

The 4th Edition of the Brazil MDG Award (*Prêmio ODM Brasil*) recognized 20 social organizations and municipalities with the best practices for achieving the Millennium Development Goals - MDGs. In this edition, 1,638 entries were received: 918 from organizations and 720 from municipalities.

Brazil MDG Awards is a pioneer initiative in the world and was established in 2004 with the purpose of encouraging actions, programs and projects that effectively contribute to meeting the Millennium Development Goals.

Health

Increased Access and Better Quality Services

Increased investments to ensure quality services to all Brazilians

PREGNANCY CARE – STORK NETWORK (REDE CEGONHA)

In its first year, the program is helping to reduce maternal death by 21%

Accession to the Stork Network: 27 states and 2,900 municipalities had joined the network by June 2012, covering more than 1.4 million pregnant women, which represent 63% of pregnant women assisted by the Unified Health System (SUS).

New hospital beds: more than R\$ 2.63 billion have been transferred to states and municipalities for the purchase of new hospital beds and qualification and funding of health care. In June 2012, 3,492 beds under the Stork Network were available in SUS facilities and another 2,001 new beds will be provided by the end of 2012.

Prenatal care: 1,885 municipalities in 26 states received the lump sum of R\$ 46 million in June 2012 for the increase of prenatal testing and the acquisition of rapid pregnancy tests.

Sonar: all basic health units that perform prenatal tests will receive sonars to hear and monitor the baby's heartbeat in the mother's womb. Over 6,000 sonars have already been delivered to the Bahia and Pernambuco units.

Commuting support for prenatal visits and childbirth: 721 pregnant women have already received the commuting support of up to R\$ 50. In June 2012, 5,553 pregnant women in 304 municipalities of 16 states had registered to receive the support.

Low income pregnant and lactating women: in April 2012, 181,300 lactating and 101,000 pregnant women became beneficiaries of the Family Grant program.

Maternal mortality drops 21%

Deaths from complications during pregnancy and childbirth totaled 1,308 between January and September 2011, compared with 1,317 deaths over the same period in 2010.

In 2011, more than 1.7 million pregnant women had at least seven **prenatal visits**.

PROGRAM FOR THE PREVENTION, DIAGNOSIS AND TREATMENT OF CERVICAL AND BREAST CANCER

Mammograms: more than 986,000 tests were performed in priority age group 50-69 years from January to May 2012, a 19% increase over the same period in 2011. For all age groups, preliminary data indicate that 1.3 million mammography screening tests were performed between January and March 2012.

Pap tests: more than 3.4 million tests were performed in priority age group 25-64 years from January to May 2012.

Reference Services for the Diagnosis of Breast Cancer (*Serviços de Referência para o Diagnóstico do Câncer de Mama*): more than R\$ 5 million have been transferred to improve the conditions and service capacity of mastology clinics.

Radiotherapy Services: R\$ 505 million transferred for investments: R\$ 325 million in physical structure works (casemate) and R\$ 180 million in the purchase of linear accelerators - high-tech equipment used in radiotherapy.

HEALTH IS PRICELESS (SAÚDE NÃO TEM PREÇO)

Asthma Medicines

The inclusion of free asthma medication in the Health Program is part of the Caring Brazil Action launched in May 2012. There are three drugs in ten presentations, which may be obtained in units of the Popular Drugstore Network (*Aqui Tem Farmácia Popular*).

Forty five days into the beginning of the free distribution of anti-asthma drugs, more than 83,000 people had obtained them in Popular Drugstores across the country. Access has increased 60%, compared to the number of people who obtained the drugs 45 days before the beginning of the free distribution.

Access to treatment increased 447% among hypertensive and 325% among diabetic patients

Nearly 11 million people have received free medication in over 20,500 public and private pharmacies since the inception of the program, in February 2011.



INCREASE IN THE SUS NATIONAL LIST OF ESSENTIAL MEDICINES (*RELAÇÃO NACIONAL DE MEDICAMENTOS DO SUS - RENAME*)

The list of medicines supplied by SUS has increased by 260 items. The list now has 810 items,

including all outpatient prescription drugs such as pharmaceutical raw materials and vaccines, in addition to primary care medicines. Special mention should be made to the inclusion in the list of drugs used for the diagnosis, care and prevention of stroke, thus improving treatment and reducing the risk of stroke sequelae by 31%.

INTEGRATED PLAN TO FIGHT CRACK AND OTHER DRUGS (*PLANO DE ENFRENTAMENTO AO CRACK E OUTRAS DROGAS*)

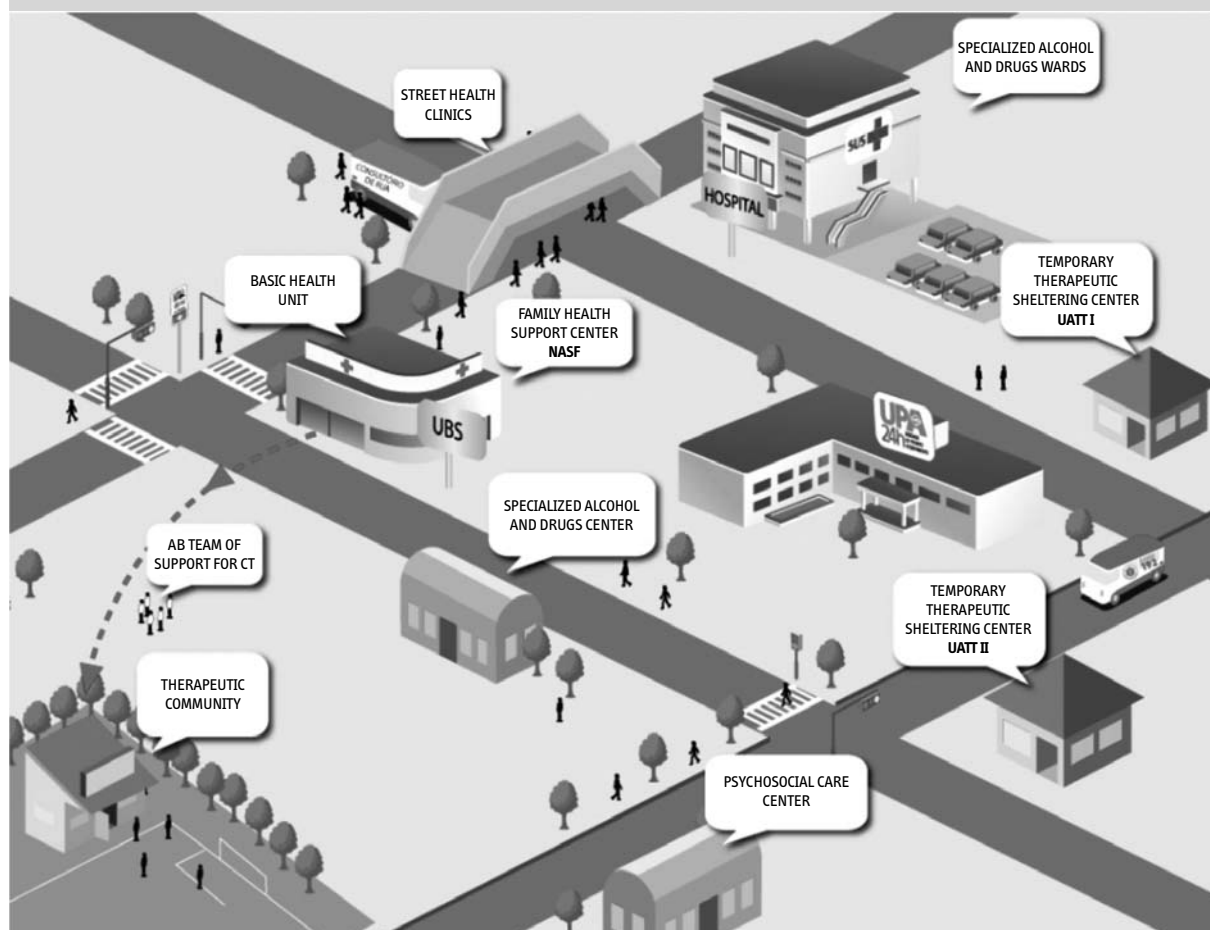
Expansion of services to improve assistance and health care to users

Eight states (states of Pernambuco, Alagoas, Rio de Janeiro, Rio Grande do Sul, Minas Gerais, Acre, Santa Catarina e Espírito Santo) have joined the Crack, You Can Beat It! (*Crack, é Possível Vencer!*) program. The Federal Government has already provided more than R\$ 1 bilion to be invested by 2014 in actions of assistance to users and fight against trafficking, focusing in the areas of health care, prevention and authority.

Services implemented and in operation by June 2012

- 74 health street health clinics.

- 4,121 specialized ward beds.
- 22 addiction sheltering units for adults and 22 for children and adolescents.
- 130 Psychosocial Care Centers for Alcohol and Drugs (CAPS-AD).
- Eight 24-hour CAPS-AD.
- 78 therapeutic communities offering 985 places.
- Nine Regional Reference Centers: DF(2), BA(2), RJ(1), AL(1), RS(1), CE(1) and MG(1).
- 13,000 nurse AIDS and another 177,000 health community agents trained.
- 500 university-level professionals trained by the SUS Open University to work in street health clinics and emergency care.
- 30,000 undergraduate students from the health area trained in the subject crack and other drugs.
- 27 new medical residency positions in psychiatry for regions with shortage of professionals.
- 93 new positions in multiprofessional residency.



NON-STOP HEALTH CARE (SAÚDE TODA HORA)

S.O.S Emergencies

Transfer of resources: R\$ 23.1 million released for renovation (R\$ 2.1 million per hospital) and R\$ 43.7 million for the purchase of equipment for 11 emergency care hospitals.

More hospital beds: 1,710 new hospital beds available for adult and pediatric ICU and 2,899 for clinical wards, besides 738 spare beds.

100% SUS Ordinance, of May 2012, earmarks 20% of the Medium-to-High Complexity threshold to units providing 100% of their health services exclusively under SUS.

24-Hour Emergency Care Unit (24-hour UPA)

- In June 2012 there were 181 24-hour UPA in operation and 648 under construction.
- 136 new units and 56 expansions have been selected by the Growth Acceleration Program 2 (*Programa de Aceleração do Crescimento – PAC 2*) in 21 states.
- The 83 24-hour UPA operating in the Legal Amazon region have been receiving, since June 2012, an additional 30% adjustment in the monthly transfer of funds, to help establish teams in remote locations.

Samu 192 (Mobile Urgency Care Service)

Demographic coverage: more than 114.5 million Brazilians or the equivalent to 57.3% of the country's overall population.

Municipalities covered: 1,604.

Regulation Centers: 162 units.

Ambulances: 2,150 units (1,695 basic and 455 advanced units); 400 motorcycle-ambulances; 8 boat-ambulances; and 6 aircraft/aero physicians.

Funding transfers: more than R\$ 392 million per year.

BASIC HEALTH UNITS (UBS)

In June 2012, 3,966 basic health units were under construction, 5,247 were being remodeled and 5,458 had been expanded with funds from the UBS Upgrading Program. Besides these, the selection of projects for the expansion of more than 5,000 units around the country and the remodeling of an additional 46 units in nine states has also been authorized.

In May 2012, there were 33,663 basic health units in the country, a 7.8% increase over 2011.

HEALTH CLOSER TO YOU (SAÚDE MAIS PERTO DE VOCÊ)

Better at Home (*Melhor em Casa*)- Home Care Service

By June 2012, 346 home care teams and 142 specialized support teams had qualified for the program to assist the population of 74 municipalities in 19 states. Of these, 152 teams had already been deployed, with monthly funding worth R\$ 7 million.

Program to Improve Access and Quality in Primary Health Care

Of the 17,700 primary care teams that joined the program in 2011, 17,500 distributed in 3,972 municipalities requested an external evaluation. The teams that are well evaluated in indicators such as prenatal care, care of chronic patients, waiting time for medical visits and adequate health care

for the elderly may receive additional funding of up to 100%. Today, each team receives up to R\$ 10,600, according to socioeconomic and demographic criteria. Teams that achieve the highest score in the performance evaluation may receive up to R\$ 21,600 per month.

Program to Acknowledge the Value of Primary Health Care Professionals (*Programa de Valorização dos Profissionais na Atenção Básica – PROVAB*)

- **Professionals hired:** in June 2012 there were 334 physicians, 122 nurses and 110 dentists, totaling 566 professionals in 266 municipalities of 24 states. The professionals were hired by the municipalities.
- **Specialization Course focused on primary health care offered by UNA-SUS:** in June 2012 there were 61 physicians, 431 dentists and 1,250 nurses, totaling 1,742 professionals being trained in 463 municipalities.

Mortality from Tuberculosis – Brazil met the Millennium Development Goal of reducing by half the number of death from the disease between 1990 and 2015, five years ahead of the established deadline.

More funds for Primary Health Care in 2012

- **Minimum Variable Primary Health Care Funding (*Piso da Atenção Básica variável – PAB Variável*):** increased to R\$ 8.31 billion, up 23% compared to 2011. Among the benefited are the Program to Improve Access and Quality, Family Health (*Saúde da Família*), Oral Health (*Saúde Bucal*) and the Family Health Support Center (*Núcleo de Apoio à Saúde da Família*).

- **Minimum Primary Health Care Funding – annual fixed PAB (*Piso de Atenção Básica – PAB anual*):** increased to R\$ 4.1 billion, up 11% compared to 2011.

SMILING BRAZIL (*BRASIL SORRIDENTE*)

Additional funds ensure the entry into operation of the thousandth Dental Prosthesis Laboratory in the country

- **More dental prostheses produced:** by April 2012, 102,000 prostheses had been produced; the target is to produce another 400,000 in 2012. In 2011, 340,000 prostheses were produced.
- Between January 2011 and June 2012, 314 new regional dental prostheses laboratories were accredited, totaling 1,120 units in the country.
- By May 2012, 1,163 new oral health teams had been established, totaling 21,587 teams working in 87.7% of Brazilian cities.
- 100 mobile dental units were delivered in March 2012, benefiting 100 municipalities in poverty situation.
- Dental care with prosthetic rehabilitation started in May in 10 municipalities for students of technical courses under Pronatec and the Thousand Women (*Mulheres Mil*) program, with the aim to facilitate their integration or reintegration into the labor market.

IMPROVED SUS MANAGEMENT

SUS Survey (*Carta SUS*)

By May, nearly 1.3 million patients in the public hospital network had received a reply-letter at home with a questionnaire to assess the care provided to them. Users can check whether the data correspond to the service actually rendered and find out

the total cost of hospitalization. The survey can be answered either by the patients themselves or by a family member.

The Security Deposit Law passed in May criminalizes the requirement of promissory note or the completion of a form as a condition for providing emergency health care.

Evidence-Based Health Portal

The portal provides scientific content to health professionals through access to reviewed publications with clinical protocols based on evidence available in databases in the health care area.

Saving of R\$ 15 million in the purchase of Alzheimer drugs increases access by 30%

The purchase of Rivastigmine, an Alzheimer drug, through the Partnership for Productive Development (*Parceria para Desenvolvimento Produtivo* - PDP) initiative has generated savings of R\$ 15 million for SUS. Until 2011 the drug used to be purchased by state secretariats, with funds transferred by the federal government. By June 2012 the SUS had signed 32 partnerships with 34 laboratories (10 public and 24 private) for the production of 27 drugs besides Rivastigmine and other products such as vaccines, diagnostic tests and IUD. In this partnership, the private laboratory produces the

active principle and transfers technology to the public laboratory that manufactures the drug. In return, the government commits to purchasing the drug exclusively from that laboratory for a five-year period. The distribution of Rivastigmine to state secretariats started in June 30, 2012.



Education

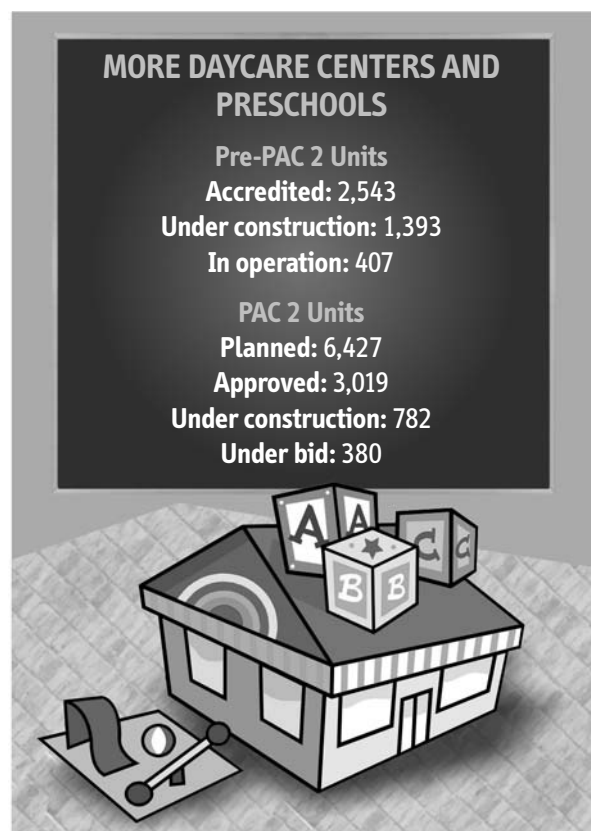
Advances in Early Childhood and Higher Education

Increased access to early childhood, vocational, technological and higher education

EARLY CHILDHOOD EDUCATION

Terms of commitment for the construction of another 1,512 daycare centers and pre-schools in 27 states were signed in May, with investments worth R\$ 1.9 billion. The initiative is part of the Caring Brazil action.

The construction of 3,019 day care centers and preschools has been approved since 2011, with investments worth R\$ 3.4 billion. This represents over 50% of the target set for the second stage of the Growth Acceleration Program (*Programa de Aceleração do Crescimento* – PAC 2).



CONSTRUCTION AND ROOFING OF MORE SCHOOL SPORTS COURTS

The construction or roofing of another 1,298 school sports courts in 367 municipalities and 18 states was authorized in June. A total of R\$ 394.6 million will be invested in the construction of 421 new courts and the roofing of another 877 courts in municipal and state schools.

The construction or roofing of 2,862 courts commissioned since the beginning of 2011 is currently under way, totaling more than R\$ 1 billion in investment. Another 1,731 courts are expected to be built or roofed by the end of 2012.

MORE PROFESSIONALS IN THE FEDERAL EDUCATION NETWORK

The institutions of the federal education network have been authorized to fill 77,178 permanent positions, management positions, and commissioned posts to meet the staffing requirements resulting from the policy for the expansion and internalization of the federal networks of vocational, technological and higher education.

Among the jobs created are:

- 24,306 positions of primary, technical and technological education teachers;
- 19,569 positions of higher education professors;
- 1,608 management positions.

REGISTRATION FOR THE NATIONAL SECONDARY EDUCATION EXAMINATION (EXAME NACIONAL DO ENSINO MÉDIO - ENEM) HITS RECORD HIGH

In 2012, 5,790,989 students registered for the National Secondary Education Examination (Enem). As an evaluation instrument adopted by SISU, one of the criteria for access to the ProUni, Fies and Science without Borders (*Ciência sem Fronteiras*) programs and a mechanism for the certification of young and adult students in secondary education, the exam has been strengthened as a mechanism for access to higher education institutions, both public and private.



UNIFIED SELECTION SYSTEM (SISTEMA DE SELEÇÃO UNIFICADA - SISU)

For the selection process in the 1st half of 2012, 1,757,399 students registered in the Unified System Selection (SISU), which allows access to higher education based exclusively on the student's grade in Enem. 108,560 places were available in 95 public institutions of higher education throughout the country. According to the system, each student can choose up to two courses and institutions.

For the second half of 2012, 642,878 students competed for the 30,548 places offered by SISU in 56 public institutions of higher education.

UNIVERSITY FOR ALL PROGRAM (PROGRAMA UNIVERSIDADE PARA TODOS - PROUNI)

In the second half of 2012, **90,311 ProUni scholarships** will be provided as follows:

- 52,487 full scholarships for applicants with family income per capita up to 1.5 minimum wages.
- 37,824 partial scholarships for applicants with family income per capita up to three minimum wages.

STUDENT FINANCING FUND (FUNDO DE FINANCIAMENTO AO ESTUDANTE - FIES)

By June 2012, 210,936 contracts totaling R\$ 1.7 billion had been signed with the Student Financing Fund (Fies).



Fies finances up to 100% of monthly undergraduate tuition fees at an interest rate of 3.4% p.a. and payback period of up to three times the length of the course plus 12 months. Both traditional guarantee and solidarity guarantee are accepted as security for the loan. Students with monthly family income per capita up to 1.5 minimum wages, students enrolled in undergraduate programs, and holders of partial scholarships under the University for All Program (ProUni) are not required to provide a guarantor. There are currently 1,536 private higher education institutions participating in the program.

SCIENCE WITHOUT BORDERS (CIÊNCIA SEM FRONTEIRAS)

A total of 14,900 scholarships have been granted to date under the Science without Borders Program (CsF). Of these, 6,700 students are already attending courses abroad.

Increased partnerships with countries and corporations:

Canada: will offer 12,000 places for Brazilian students in undergraduate, doctoral and post-doctoral programs during the program period.

South Korea: a large South Korean company will offer scholarship holders a training course in its research centers in the United States and European and Asian countries.

United Kingdom: a partnership with the British Council will enable 2,000 low income students to take English proficiency tests free of charge. The partnership ensures, in addition to free-of-charge proficiency tests, 4,000 preparatory textbooks and 40,000 leveling tests.

China: a partnership for scientific and educational exchange with the China Scholarship Council will benefit some 5,000 Brazilian students by 2015.

INCREASE IN PHYSICIANS TRAINING

Measures announced by the Ministries of Education and of Health to increase the number of physicians in the country include:

- increasing the number of places in federal institutions that already offer medicine courses and establishing new med schools in universities that currently do not offer the course. The supply of 355 new places in universities currently offering medicine courses and the creation of an additional 1,260 places in new courses have also been authorized. 30% of these 1,615 places are expected to be available as soon as 2013;
- encouraging state and private universities with good evaluation results to provide additional places. A total 800 additional places have been authorized, of which 50% are expected to be available in the second half of 2012;
- expanding opportunities for medical residency in the country by increasing the number of existing places and seeking partnerships with hospitals of excellence that have no connection with medicine schools.

Caring Brazil (*Brasil Carinhoso*)

Attention to Early Childhood

Overcoming extreme poverty and strengthening education and health actions

Launched in May, the Caring Brazil Action will benefit about two million families with children 0-6 years old who live in extreme poverty. R\$ 10 billion will be invested by 2014.

Part of the Brazil without Poverty Plan, the Action is structured around three main areas:

- Overcoming of Extreme Poverty in families with 0-6 year old children;
- Increased Access to Day Care Centers, Preschool and improved assistance;
- Increased Access to Health Care.

OVERCOMING EXTREME POVERTY

The Family Grant Program has been expanded and will ensure extremely poor families with 0-6 year old children a monthly income above R\$ 70 per person.

Benefit for Overcoming Extreme Poverty in Early Childhood (*Benefício de Superação da Extrema*

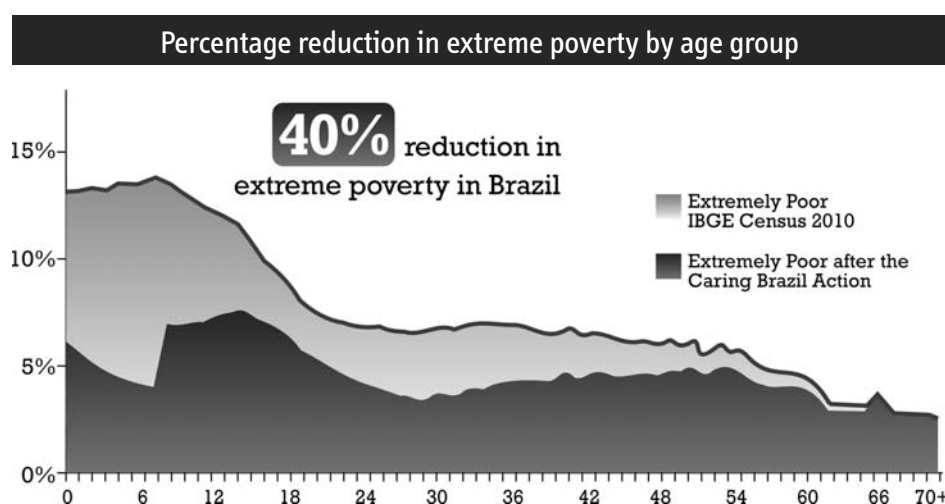
Pobreza na Primeira Infância - BSP): each family will receive the amount necessary for their income to exceed R\$ 70 per person. The first payment was made in June to 1.97 million families, benefiting 2.7 million children. With the benefit, the average Family Grant to families that fit this profile increased 55%, from R\$ 152.75 in May to R\$ 237.04 in June.

Immediate impact: 40% reduction in extreme poverty in all age groups and 62% reduction among children 0-6 years old. In the Northeast the reduction is as high as 73%.

ACCESS TO DAY CARE CENTER AND PRESCHOOL

Resources will be invested to increase the number of places and the amount transferred to fund public or accredited day care centers and preschools.

Children's Education Units: selection process for the construction of an additional 1,512 day care centers



and preschools. Of the 1,507 units selected in 2011, 98% have been commissioned. By 2014, 6,427 new day care centers or preschools will be in operation.

Funding: advance in up to 18 months the transfer of Fundeb resources to finance new school places.

50% increase in resources: for each child from the Family Grant Program enrolled, the day care center will receive R\$ 1,362 per year, in addition to the current R\$ 2,725. The institution will therefore be able to purchase materials and equipment, in addition to implementing minor remodeling/re-furbishing projects.

Meals: 66% increase in the amount transferred for meals in day care centers and preschools.

ACCESS TO HEALTH CARE

Asthma Medicines

Since June, three asthma medicines are being distributed free of charge through the Popular Drugstore (*Aqui Tem Farmácia Popular*) network, under the Health Has no Price Program. The number of beneficiaries increased 60% in the first 45 days of free distribution.

Asthma medicines used to be sold at a discount of up to 90% by the Popular Drugstore Program, which assisted approximately 200,000 patients a year. With the free distribution, a total of 800,000, of which 50% are children 0-11 years old, are expected to be assisted by the Program.

Nutritional Supplementation

The action provides for the distribution of doses of Vitamin A and iron supplementation at the Basic Health Units (UBS).

Vitamin A: will be distributed to children aged between 6 months and 5 years old at UBS and during



Asthma is the second main cause of hospitalization among children 0-6 years of age in SUS facilities.

vaccination campaigns, primarily in areas with high concentration of extreme poverty.

Supplementation reduces the risk of infant/child deaths and mortality from diarrhea by 24% and 28% respectively.

Iron supplement: for children aged 6-24 months to prevent anemia in the first months of life, thus contributing to cognitive development and the reduction of infant mortality from nutritional anemia. In Brazil, 20% of children under 5 years of age have anemia. In children 0-2 years old the disease rate is as high as 60%.

Health at School

The Health at School (*Saúde na Escola*) Program, which aims to contribute to the full development of students through health promotion, disease prevention and health care will be extended to day care centers and preschools with at least 50% of children from the Family Grant Program.

The goal in 2012 is to reach all preschools in public schools that are already being assisted by the program. By 2014, the goal is to reach all day care centers and preschools in municipalities participating in the program.

Support for agricultural production

Agriculture and Livestock Plan and Family Agriculture Harvest Plan

Increased resources, lower interest rates and higher insurance coverage are the hallmarks of the new corporate and family agriculture funding plans

AGRICULTURE AND LIVESTOCK PLAN 2012/2013

In the harvest year starting in July 2012, R\$ 115.2 billion will be provided to finance the cost, the marketing of and the investments in Brazilian corporate agriculture – a 7.5% increase compa-

red to the harvest year 2011/2012: R\$ 93.9 billion (81.5%) at controlled interest rates and R\$ 21.3 billion (18.5%) at free interest rates.

The Plan aims to increase production of grains, fibers and oilseeds from the current 161 million tons to 170 million tons by June 2013.

Credit Lines	2011 / 2012 Harvest	2012 / 2013 Harvest
New gross income ranges / year for inclusion		
Medium producers	From R\$ 110,000 to R\$ 700,000	From R\$ 160,000 to R\$ 800,000
Large producers	Above R\$ 700,000	Above R\$ 800,000
Increase in credit limits per producer / per agricultural year		
Medium producers	Up to R\$ 400,000	Up to R\$ 500,000
Large producers	Up to R\$ 650,000 (funding)	Up to R\$ 800,000 (funding)
	Up to R\$ 1.3 million (sale)	Up to R\$ 1.6 million (sale)
Reduction in interest rates (p.a.)		
Medium producers	6.25% (funding)	5.0% (funding)
Large producers	6.75% (funding and sale)	5.5% (funding and sale)
Cooperatives	6.75% (investment)	5.5% (investment)
	9.5% (working capital)	9.0% (working capital)
Machinery and equipments	5.5% - 9.5%	5.5%
Irrigation and storage	6.75%	5.5%
Low-Carbon Agriculture Program	5.5%	5.0%

More safety for producers

Program to Guarantee Agricultural and Livestock Activity (*Programa de Garantia da Atividade Agropecuária - Proagro*): premium rate reduced from 4% to 3% and coverage limit increased from R\$ 150,000 to R\$ 300,000.

Increased grant funds for rural insurance: from R\$ 253 million to R\$ 400 million. Including Pro-

agro, the amount of insured production is expected to increase from R\$ 9 billion to R\$ 16 billion.

More Support for Livestock

Increase in funding limits and lower interest rates in credit lines for the purchase and retention of breed cattle and for the milk agroindustry.

FAMILY AGRICULTURE HARVEST PLAN 2012/2013

For the new harvest, family agriculture will receive R\$ 18 billion to finance investments and costs through the National Program for Strengthening Family Agriculture (*Programa Nacional de Fortalecimento da Agricultura Familiar* - Pronaf) - a 12.5% increase compared to the 2011/2012 harvest.

Innovations in credit

Higher income limits for inclusion in Pronaf: from R\$ 6000/year to R\$ 10,000/year for low-income farmers (Group B); and from R\$ 110,000/year to R\$ 160,000/year for other farmers.

Improvements for the funding of production costs: increase in the credit limit from R\$ 50,000 to R\$ 80,000 and reduction in interest rates from 1.5%-4.5% to 1.5%-4.0% p.a.

Increase in credit limit for investment: for Youth Pronaf (*Pronaf Jovem*), Pronaf Semi-Arid, Pronaf Forest and Pronaf Agribusiness lines, with an emphasis on Pronaf Agribusiness of Cooperatives or Association, which had its credit limit increased from R\$ 10 million to R\$ 30 million.

Low income farmers now have access to credit for funding production costs and thereby also to Family Agriculture Insurance (*Seguro da Agricultura Familiar* - SEAF) and to Family Agriculture Price Guarantee Program (*Programa de Garantia de Preços da Agricultura Familiar* - PGPAF).

Income and production protection

Increase in income coverage of the Family Agriculture Insurance (SEAF): increase in income protection from R\$ 3,500 to up R\$ 7,000 in addition to 100% coverage of the amount to finance production costs.

Guarantee of production costs under the PGPAF: automatic discount in Pronaf financing of up to R\$ 7,000 per producer/year if the market price is lower than the product guaranteed price. The cost of production will increase by 10% for basic food and socio-biodiversity products.

Increased income and support for marketing **National School Nutrition Program (*Programa Nacional de Alimentação Escolar* - PNAE):** increase in purchases from each farmer from R\$ 9,000 to R\$ 20,000 per year. PNAE purchases can be made through the Rural Brazil Network (*Rede Brasil Rural*) platform.

Food Acquisition Program (*Programa de Aquisição de Alimentos* - PAA): a new Institutional Procurement type has been established, enabling federal, state and municipal agencies to purchase family agriculture products under the PAA rules. As a result, the market for family agriculture products has increased. The changes introduced include:

- direct payment to family farmers or suppliers using the PAA card;
- computerized payment and control system;
- easy accession by states and municipalities.

Qualification and Training with Sustainability

Technical Assistance and Rural Extension (*Assistência Técnica e Extensão Rural* - ATER): assistance to 480,000 families, with an emphasis on 170,000 beneficiaries of the Brazil without Extreme Poverty Plan and 170,000 for the purpose of improving their environmental practices.

Pronacampo/Pronatec: professional qualification for 30,000 family farmers, including young people, and ATER agents in production, management, marketing and sustainable practices (water, land, inputs).

Security

Federal government, states and municipalities working together in the fight against crime

Training, patrolling and enhanced border security actions

EIGHT STATES JOIN THE “CRACK, YOU CAN BEAT IT!” PROGRAM

Eight states joined the “Crack, You Can beat it!” (*Crack, é possível vencer!*) program until June, six months after its inception.

The amounts to be transferred by the Federal Government were defined during technical meetings with the states and total R\$ 1.02 billion.

INVESTMENT BY 2014 IN R\$ MILLION			
State	Security Actions	Health Actions	Total Amount
Alagoas	16	21	37
Pernambuco	11	74	85
Rio de Janeiro	29	211	240
Rio Grande do Sul	9.4	93.6	103
Acre	3.3	10	13.3
Santa Catarina	8.9	47.5	56.4
Minas Gerais	219	257.7	476.7
Espírito Santo	4.8	5.05	9.85

Source: Ministry of Health and Ministry of Justice – July 2012

Proximity policing

One of the goals of the program is to strengthen proximity policing in the main crack sale and use areas, with the establishment of 70 mobile video surveillance units and 1,400 fixed video surveillance units by 2013.

The purchase of equipment is in the bidding phase and police officers are already being trained to operate them. The first study Module – Community Patrolling has already been implemented in the states of Pernambuco, Alagoas and Rio Grande do

Sul, involving 360 officers. The second study Module – Assistance and Care Networks - has been completed in Pernambuco, with 40 officers.

An operation with the National Public Security Force started in Rio de Janeiro in May. Currently 167 officers are working in areas with the highest incidence of drug trafficking.

Crackdown on drug trafficking

By June 2012, the Federal Police had conducted 26 special operations against drug trafficking. 2,238 investigations were opened and 1,677 persons were indicted.

Training

Several training actions are being implemented to allow more effectiveness in the prevention, treatment and social reintegration of users and addicts.

Course on the prevention of drug use for public schools teachers: registrations are open for 70,000 teachers in a course starting in August. The goal is to reach 210,000 teachers by 2014.

Course for health professionals and social workers - System for detecting the use of and addiction to psychoactive substances: 5,000 professionals were trained in the first half of 2012. The goal is to reach 35,000 by 2014.

Training for Law Enforcement Officials: the goal is to reach 45,000 by 2014. A total of 15,000 people have already been trained in 2012.

Course on the prevention of drug use for religious institutions and related movements: 5,000 religious leaders were trained in the first half of 2012. The goal is to reach 35,000 leaders by 2012.

To find out more, please visit <http://www.obid.senad.gov.br>; <http://www.brasil.gov.br/enfrenta-docrack>.

THE FIRST YEAR OF THE STRATEGIC BORDER PLAN (*PLANO ESTRATÉGICO DE FRONTEIRAS*)

The Plan seeks to strengthen the State's presence in border areas, which cover 16,800 kilometers, involve 11 states and are home to approximately 11 million people, through integrated action in the three spheres of government and in partnership with neighboring countries.

Sentinel Operation (*Operação Sentinela*)

In this first year, the operation led to the dismantling of 42 transnational criminal organizations, the arrest of 7,500 persons and the seizure of 170 tons of drugs (146 tons of marijuana and 24 tons of cocaine); seven million packets of cigarettes; 83,800 bottles of liquor; 648 firearms; 283,700 pieces of electronic equipment; R\$ 2.9 million and US\$ 2.7 million in cash. In addition, 1.2 million vehicles were inspected and 2,570 were seized.

Agate Operation (*Operação Ágata*)

Four operations were carried out in the border region in one year, which mobilized about 26,000 military personnel from the three armed forces and 1,500 civil servants from various agencies.

In each edition the staff had the support of up to 10 ships, 123 smaller vessels, 36 aircraft, 11 helicopters, an unmanned aerial vehicle (UAV) and 203 vehicles.

A total of 124,500 vehicles, 165 aircraft and 4,200 vessels were inspected and 284 vessels, 8.2 tons of explosives, 2.4 tons of drugs, 59 firearms and US\$ 242,900 from smuggling or embezzlement were seized.

Five illegal loggers were fined, four clandestine airstrips destroyed and 8 mines disabled.

THE FOUR EDITIONS OF AGATE OPERATION				
Item	Agate 1	Agate 2	Agate 3	Agate 4
Period	Aug/11	Sep/11	Nov/11	May/12
States covered	AM	MS/PR/SC/RS	AM/AC/RO/MT/MS	AM/PA/AP/RR
Bordering countries covered	Colombia, Peru and Venezuela	Argentina, Paraguay and Uruguay	Peru, Bolivia and Paraguay	Venezuela, Guyana, Suriname and French Guyana
Health procedures	7,764	4,551	8,673	20,928
Medical Care	419	1,463	9,034	8,507
Dental Care	2,086	2,574	7,060	9,873
Lab tests	-	-	-	857
Medicines distributed	32,369	30,124	39,553	53,314

Source: Ministry of Defense, June 2012

Structuring actions start to be implemented in 2012

A total of 600 new federal police officers will be working on the border this year, at the end of the training course. A new public notice for an additional 600 openings was published in June and these officers should be working at the borders from mid-2013.

Construction works have started in six of the 12 new police stations planned for the border region. Seven other stations will be remodeled. Additionally, 19 boats, more than 11,000 bullet-proof vests, 1,200 vehicles besides aircraft have been purchased for the Amazon region.

Partnership with States and Municipalities is strengthened

To enhance the integrated action at the three spheres of government in the reduction of transnational crimes, R\$ 150 million will be provided this year, in addition to the R\$ 58 million already available. Resources should strengthen the action of state public security in 185 municipalities of the 11 border states.

The funds will be invested in to structure specialized border units or state highway patrols and units to operate waterways; to strengthen intelligence; to introduce technological border monitoring and control innovations; and to re-equip integrated inspection stations.

FIGHT AGAINST CRIME ADVANCES WITH SINESP

On July 5 the President sanctioned the law creating SINESP – National Information System for Public Security, Prison and Drugs (*Sistema Nacional de Informações de Segurança Pública, Prisionais e sobre Drogas*). The system aims to assist the formulation, implementation and evaluation of public security policies, through the integrated

action of the executive branches of federal, state and Federal District governments, which will provide data and information and may use the results and statistics that will be generated. Municipalities, the Judiciary, the Public Defender's Office and the Public Prosecutor's Office may also participate in the system by means of accession. Incentives have been established for states to provide or update their data and information, such as priority in signing agreements with the Federal Government. Those who do not update the system will be subject to suspension of the transfer of voluntary federal resources for public security.

The information to be collected, systematized and provided is of administrative and managerial nature, and the identification of persons involved in criminal activities can not be disclosed.

SINESP will also enable enhancing the capacity of both the Federal Government and states to develop strategies, define policies and establish priorities for action to combat crime based on reliable and timely information, thus optimizing the use of public resources. Transparency and social control of the actions of government agencies related to public security will also be enhanced.

The next step for the implementation of SINESP is the agreement between the Federal Government, States and the Federal District on how to record cases as well as on the standards to be adopted and other conditions under which the system will operate.

My House, My Life

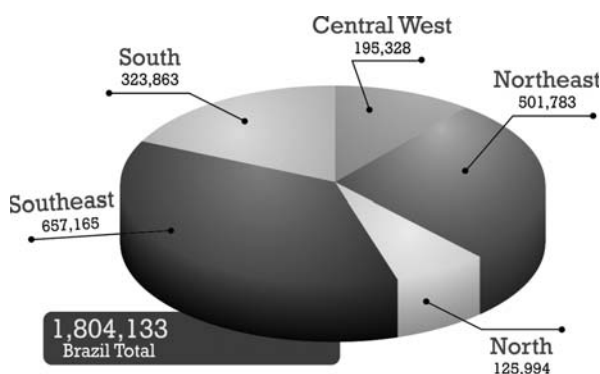
1.8 million housing units commissioned across Brazil under the My House, My Life (*Minha Casa, Minha Vida* - PMCMV) Program

Opportunity for Brazilian families to purchase their own home and live with quality

MORE THAN 830,000 HOUSING UNITS DELIVERED

- Of the 1,804,133 housing units commissioned by June 30, 2012, in the two phases of the program, 830,000 have already been delivered (46% of the total).
- Of the total number of units commissioned since 2009, 734,581 (40.7%) were to low income families.
- Of the 1,005,128 units commissioned by December 2010, in the first phase of the program, 558,777 had been delivered by the end of June 2012.
- Of the 799,005 units commissioned under My House, My Life, 2.38% are located in the Southeast; 22% in the Northeast; 20% in the South; 13% in the Central West; and 7% in the North.

Regional Distribution of MCMV Units Commissioned



Source: Federal Savings Bank and Ministry of Cities, June/2012.

- More than 60% of the new housing units commissioned are concentrated in the states of São Paulo (19%); Minas Gerais (10%); Bahia (8%); Rio Grande do Sul (7%); Paraná (7%); Rio de Janeiro (6%); and Goiás (6%).
- In the rural area, 9,833 housing units had been delivered by June 30.

ELECTRICITY CONNECTION UNDER SPECIFIC RULES

A primer has been developed to guide the implementation of infrastructure of electric power grids under the My House, My Life program. Concessionaires must operate under specific rules and deadlines agreed with the National Agency of Electric Power (*Agência Nacional de Energia Elétrica* – ANEEL) for approving projects, monitoring construction works, inspecting facilities as well as for the definitive connection of the projects. The measure standardizes the provision of essential services and speeds up the delivery of houses to beneficiaries. Requirements for eligibility for the Electricity Social Tariff (*Tarifa Social de Energia Elétrica*) will also be previously assessed, for beneficiaries to enjoy it from the start of supply. For more information read the primer and watch the explanatory video at <http://www.pac.gov.br/noticia/e92cc241>.

Status of PMCMV 1:

Up to 50% of works completed	106,760
50-75% of works completed	78,057
75-95% of works completed	119,389
Works completed*	700,922
Units delivered	558,777

*Includes units delivered

Status of PMCMV 2:

Up to 50% of works completed	415,396
50-75% of works completed	62,171
75-95% of works completed	35,158
Works completed*	286,280
Units delivered	273,101

FIFA 2014 World Cup

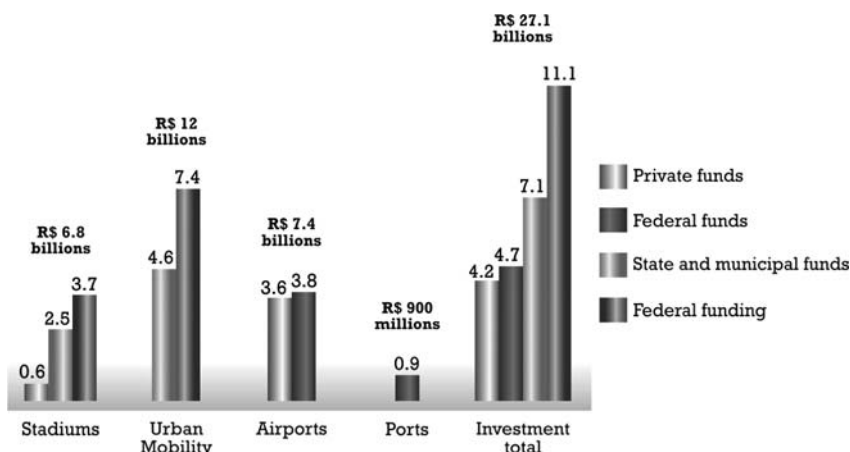
Preparations for the World Cup

Civil works moving at an appropriate pace, general World Cup Law sanctioned and tourism professionals being trained

ASSESSMENT OF CIVIL WORKS FOR THE WORLD CUP

Civil works in stadiums, airports, ports and urban mobility infrastructure are underway. In addition, professionals from various tourism sectors are being trained, so as to ensure quality services to tourists, both domestic and foreign.

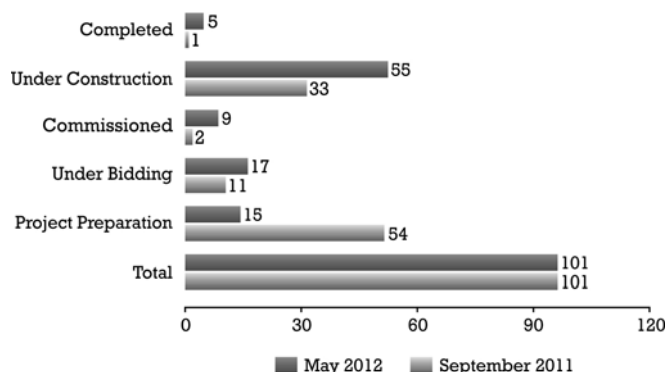
Investments – FIFA 2014 World Cup



Source: Ministry of Planning, Budget and Management

Status of Projects – 101 projects are being implemented in the 12 host cities of the FIFA 2014 World Cup. Five have been completed: the passenger terminals of the airports of Cuiabá, Porto Alegre, Guarulhos and Campinas and the runway and yard in Guarulhos Airport.

Status of Projects – FIFA 2014 World Cup



Source: Ministry of Planning, Budget and Management

Stadiums

Works are in progress in the 12 stadiums, generating about 12,000 direct jobs. Seven will be concluded by February 2013, six of which will be used

for the Confederations Cup. The others will be completed by December 2013. Funds worth R\$ 1 billion have already been transferred to the eight stadiums being financed by BNDES.

Civil works status in June 2012

BELO HORIZONTE - MINEIRÃO



Civil works status: 62% completed
Estimated completion date: December/2012
Investment: R\$ 695 million

BRASÍLIA - ESTÁDIO NACIONAL MANÉ GARRINCHA



Civil works status: 57% completed
Estimated completion date: February /2013
Investment: R\$ 812.2 million

CUIABÁ - ARENA PANTANAL



Civil works status: 45% completed
Estimated completion date: December/2012
Investment: R\$ 518.9 million

CURITIBA - ARENA DA BAIXADA



Civil works status: 13,7% completed
Estimated completion date: June/2013
Investment: R\$ 234 million

FORTALEZA - CASTELÃO



Civil works status: 74% completed
Estimated completion date: December/2012
Investment: R\$ 518.6 million

MANAUS - ARENA DA AMAZÔNIA



Civil works status: 41,6% completed
Estimated completion date: June/2013
Investment: R\$ 532.2 million

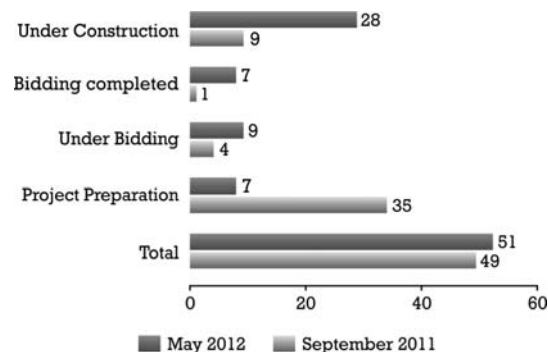


Urban Mobility

Infrastructure works are in progress in nine cities. More than half of the 51 projects planned are underway. Another 14% for which the bidding process has been completed are awaiting the beginning of civil works.

By December 2013, works will be completed in more than 80% of the projects. The remaining 20% should be completed in the first half of 2014.

Status of urban mobility projects



Source: Ministry of Planning, Budget and Management

Airports

All airport projects will be concluded in time for the World Cup; 85% of the works will be completed by December 2013 and the remainder by the first half of 2014.



Source: Ministry of Planning, Budget and Ma

Ports

Works have been planned for seven ports, including the remodeling and construction of maritime passenger terminals and the expansion and construction of docks, with a view to improving the physical infrastructure of the facilities. Works are already underway in four of these ports and should be completed by November 2013. Two others are under bidding and one is in the project preparation phase.

PRONATEC CUP

Registrations are open for more than 40,000 places in courses under the National Program for

Access to Technical Education and Employment (*Programa Nacional de Acesso ao Ensino Técnico e ao Emprego* - Pronatec Cup) for workers in the host cities of the **Confederations Cup** to be held in 2013. Registrations for the Pronatec Cup will be open twice a year, with 40,000 places each time. By 2014, 240,000 workers will have been trained in 29 technical courses, in two foreign languages and in the Brazilian Sign Language. For more information, please visit www.pronateccopa.turismo.gov.br.

PRONATEC CUP COURSES OFFERED	
Travel Agent	Messenger
Tourist Info Agent	Master of Ceremonies
Cafeteria Agent	Environmental monitor
Confectionery assistant	Recreation monitor
Kitchen assistant	Event organizer
Waiter assistant	Baker
Travel assistant	Baker and confectioner
Service assistant	Pizzaiolo
Bartender	Receptionist
Housekeeper	Event receptionist
Grill cook	Pastry cook
Barbecue cook	Somelier
Butler	Sushiman
Industrial cook	Spanish
Basic waiter	English
Pasta maker	Brazilian Sign Language

TAX RELIEF TO SUPPORT SPORTS

The import of sporting equipment and supplies aimed at competitions in the Olympic, Paralympic, Pan American, Parapan American, national and world games is exempt from the Tax on Industrialized Products (*Imposto sobre Produtos Industrializados* - IPI).

The exemption will be effective until 2015 for equipment to train and prepare Brazilian athletes and teams, where there is no national equivalent.

LONDON 2012 OLYMPICS

London will be hosting the 2012 Olympics from July 27 to August 12, and the 2012 Paralympic Games from August 29 to September 9.

The Brazilian delegations for the two competitions include:

- **Olympic Games:** 259 athletes (136 men and 123 women) in 32 events.
- **Paralympic Games:** 182 athletes.

Among the athletes that make up the delegations there are a significant number of beneficiaries of the Athlete Sponsorship Program (*Bolsa Atleta*), which provides individual Federal Government support through monthly grants:

- **Olympic Games:** 111 athletes (43%).
- **Paralympic Games:** 156 athletes (85%).

GENERAL CUP LAW

Sanctioned in June 2012, the law regulates the guarantees provided by the Brazilian government to the International Football Federation (FIFA) for hosting the 2013 Confederations Cup and the 2014 World Cup.

Among other things, the law provides for:

- **Popular and half-price tickets:** 300,000 popular tickets (Category 4), for students, beneficiaries of income transfer programs and the elderly. The law protects the Statute of the Elderly by guaranteeing half-price tickets for people over 60 years old in the other three ticket categories.
- **Persons with disabilities:** establishes a quota of 1% of the total number of tickets in suitable seats.
- **Entry Visa:** provides for the easy entry into the country of tourists holding tickets for the games.
- **Commercial Rights:** establishes criteria for the protection and exploitation of commercial rights and conditions for broadcasting and re-broadcasting Cup events.
- **Social campaigns:** authorizes the dissemination of social campaigns during the matches, such as: for a world without weapons, drugs, violence and racism.

RIO+20

To grow, include and protect

Developing proposals and actions for sustainable development

From June 13 to 22 the city of Rio de Janeiro hosted the UN Conference on Sustainable Development, Rio+20.

The conference marked the 20th anniversary of the United Nations Conference on Environment and Development - Rio 92.

Rio+20 was the fourth event in a series of meetings that began in 1972 in Stockholm with the United Nations Conference on the Human Environment, which was followed by Rio 92 and the World Summit on Sustainable Development held in Johannesburg in 2002. In 2010 the UN General Assembly approved the Brazilian proposal to host the event in Rio de Janeiro.

By decision of UN Member States, the Rio+20 agenda included only two central topics: (i) green economy in the context of sustainable development and poverty eradication; and (ii) institutional framework for sustainable development.

The Conference was divided into three stages: Third Meeting of the Preparatory Committee, when the document to be submitted to high-level representatives was discussed; civil society events; and the High Level Segment, where the national delegations were led by the Heads of State and Government themselves.



Thousands of events were held during the nine days of the conference, including more than 500 official events. Rio+20 had broad participation of business, government and civil society leaders, as well as of UN representatives, academics, journalists and the general public, totaling 45,381 participants.

- Delegations from 188 countries and three observers
- 88 Heads of State and Government
- Approximately 12,000 delegates
- NGO and main groups: 9,856
- Media: 4,075
- Security staff: 4,363
- 5,000 people working daily at Riocentro
- 2,200 volunteers: 700 young people from vulnerable communities in Rio de Janeiro and 1,500 students from technical schools and public schools in Rio de Janeiro, university students and professionals from all over Brazil.

RESULTS: THE FUTURE WE WANT

The document adopted by acclamation at Rio+20 entitled “The Future We Want” was negotiated in meetings of the Preparatory Committee, the last of which was held in Rio de Janeiro in the days leading up to the High-Level Segment.

Finalizing the text within the timeframe had a special meaning to Brazil, which was responsible for coordinating the negotiation process in Rio de Janeiro. The unanimous approval of a complex, 283 paragraphs long document, broke the usual dynamics of large UN conferences, i.e. long deadlocks at the time of finalizing a document and even the absence of agreements.

This result was also a vote of confidence in the Brazilian negotiators, in recognition of the open, transparent and inclusive procedures on which the negotiation was based. The document reflected the commitment of Brazil – in the role of host country - to overcome differences through solutions that ensured the best balance between the various interests of all the parties involved.

Main topics of the document

Ratification of Principles

- Ratification of the Principles of the Rio Declaration of 1992, of the 2002 Johannesburg Summit, and of all commitments made in other UN conferences. In particular, the principle that commitments to sustainable development are common but differentiated between developed and developing countries, remained unchanged.

Poverty Eradication

- Affirmation of poverty eradication as the biggest global challenge. Overcoming poverty, promoting

sustainable production and consumption patterns and improved management of natural resources are fundamental conditions for achieving sustainable development.

Sustainable Development Goals (SDG)

- Rio+20 determined the inception of an intergovernmental process to be conducted within the United Nations General Assembly with the participation of civil society, to establish the Sustainable Development Goals by 2015. Fulfillment of the SDG will be voluntary and universal, but will take into account different national realities as well as the capacities and development levels of countries. The SDG will complement the Millennium Development Goals.

High-Level Political Forum

- Establishment of a high-level political forum to promote sustainable development, with broad participation of civil society and formed by all UN member countries.

Technology Transfer

- Commitment to explore options for creating a mechanism to facilitate the transfer and dissemination of clean and environmental technologies.
- Recognition of the need to advance new national accounting measures complementary to GDP, so as to facilitate the integration of economic, social and environmental pillars into the countries’ strategic planning.

Strengthening UNEP and ECOSOC

- Strengthening the United Nations Environment Program (UNEP)

- Strengthening the United Nations Economic and Social Council (ECOSOC) in its role as coordinator of actions within the entire UN system in the coordination of the economic, social and environmental pillars into which the concept of sustainable development is divided.

Brazil has committed US\$ 6 million to the UNEP Fund for developing countries and other US\$ 10 million to address climate change in vulnerable countries in Africa and small developing island countries.

Green Economy

- Inclusion of green economy in the context of sustainable development and poverty eradication and recognition that it is a tool, among others, for achieving sustainable development.

Oceans and Seas

- Recognition of the need to act on behalf of the conservation and sustainable management of marine biodiversity in areas beyond national jurisdiction, including through international instruments in the framework of the UN Convention on the Law of the Sea.
- Commitment to significantly reduce waste in seas and coastal environments, especially plastics, by 2025, thus complying with the recommendation most voted by civil society in the Dialogues for Sustainable Development.

Production and Consumption Patterns

- Adoption of the Ten-year Plan of Sustainable Consumption and Production programs. Final approval of the plan had been expected since the Johannesburg Summit (2002).

Subsidies for Fossil Fuels

- Ratification of the commitment to the progressive reduction of inefficient and harmful subsidies to fossil fuels.

Energy

- Recognition of the critical role of energy in the development process and the importance of increasing, in the respective energy matrix, the share of renewable, cleaner or more efficient energy, including in the context of climate change mitigation.
- Commitment to promote sustainable modern energy services at all national and subnational level.
- Launch of the UN Secretary-General's initiative on Sustainable Energy for All.

Health

- Recognition of human health as both a prerequisite and an indicator to measure progress on the three pillars of sustainable development.
- Commitment to universal access to prevention, treatment and monitoring of patients with HIV.
- Commitment to strengthen health systems with a view to equitable and universal coverage and promotion of access to the prevention and treatment of and support for non-communicable diseases.

Financing of Sustainable Development

- Launch of an intergovernmental negotiating process to develop, by 2014, an effective strategy for financing sustainable development, to be reviewed by the UN General Assembly.

Private Sector

- Support for the adoption of private sector business practices based on sustainable development, such as corporate social responsibility programs.

Registration of Voluntary Commitments

- In order to give visibility to the efforts of society and increase the mobilization of all sectors, the UN Secretariat was instructed to compile and disseminate voluntary commitments on sustainable development within the framework of the Conference. See Registration of Voluntary Commitments on the UN website at <http://www.uncsd2012.org/rio20/voluntarycommitments.html>.

- 713 voluntary agreements for sustainable development registered by governments, corporations, civil society groups, universities and others;
- More than US\$ 513 billion in promises of investment in sustainable development, including the areas of energy, transport, green economy, disaster reduction, desertification, water, forests and agriculture.

World Center for Sustainable Development

- Rio de Janeiro will host the World Center for Sustainable Development (Rio+ Center), a joint project of the Federal Government and the United Nations Development Program (UNDP) in partnership with the State and Municipal Governments, the private sector, academic institutions and various other civil society organizations.

SOCIAL PARTICIPATION IN RIO+20

Dialogues for Sustainable Development get 1.3 million votes

The Dialogues for Sustainable Development held from June 16-19 were an unprecedented initiative of the Brazilian government in the context of UN Conferences, which strengthened social participation in Rio+20. The dialogues were held in two formats and moments:

- Web-based platform that served as a broad and interactive venue for the exchange of information between representatives of social movements, academics, NGO and entrepreneurs around the world.
- Face-to-face discussion based on the most voted recommendations approved in the first phase, concerning the ten priority topics on the international agenda for sustainable development, with the participation of more than 60,000 people from 193 countries.

The recommendations voted on the virtual platform, which received 1.3 million votes, shaped the face-to-face discussions in Rio de Janeiro. Three recommendations on each priority topic were submitted to the Heads of State and Government participating in the roundtable discussions of the High Level Segment of the Conference.

People's Summit

The event, which was organized by civil society with the support of the Brazilian government, took place from June 15-23, on the sidelines of Rio+20. It was attended by about 25,000 people from various countries, organizations and social movements, urban and rural areas, who participated in discussion groups at the Permanent People's

Assembly. The People's Summit was a venue where social organizations and movements had the opportunity to talk about their experiences and projects for sustainable development. The main topics discussed during the plenary meetings are summarized in the document available at www.cupuladospovos.org.br.

ARENA SOCIOAMBIENTAL

One of the initiatives of the Federal Government during Rio+20, the Socio-environmental Arena was held from June 16-22 as a democratic venue for dialogue between the Federal Government and civil society. Social inclusion and environmental protection issues were discussed, and the progress of the Brazilian sustainable development policy was shown. It was also a venue for exhibitions, cultural activities and a fair showcasing the products of Brazilian socio-biodiversity.

Socio-environmental Arena in figures:

- 100,000 visitors
- 15,000 people participated in Global Meetings
- 7,200 people visited the Portinari+Brasileir@s exhibit
- R\$ 300,000 traded at the Biodiversity Square
- 54 debaters with the presence of 11 Brazilian federal Ministers
- 42 hours of live broadcast via the internet
- 458,000 visitors to the Socio-Environmental Arena blog

Environment and sustainability

Many achievements celebrated in the World Environment Day

Lowest deforestation rates ever, more protected areas, sustainability in public procurement and promotion of the rights of indigenous peoples

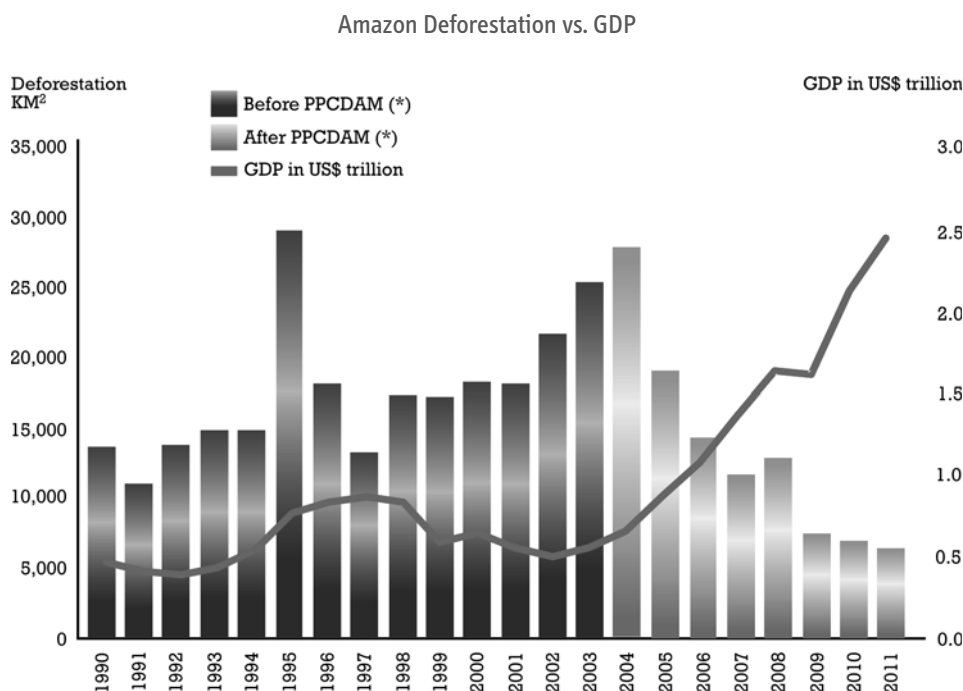
DEFORESTATION IN THE AMAZON WAS REDUCED

The rate of Amazon deforestation between August 2010 and July 2011 was the lowest since the first measuring carried out by the National Institute for Space Research (*Instituto Nacional de Pesquisas Espaciais* - INPE) in 1988.

The 6418 km²-long area deforested in the period is 76.9% smaller than that recorded in 2004, when the Plan of Action to Prevent and Control Deforestation in the Amazon (*Plano de Ação para Prevenção e Controle do Desmatamento na Amazônia Legal* - PPCDAM) was established. Currently, 81.2% of the original Amazon forest remains preserved.

Copenhagen Commitments

In 2011 Brazil had already reduced its emissions of greenhouse gases by 19.2%, as a result of decreased deforestation in the Amazon. It is more than half the voluntary target of 36.1% to be achieved by 2020. As for deforestation, the goal is to achieve an 80% reduction compared to the annual average recorded between 1996 and 2005. The decline in deforestation already accounts for 67% of this average.



(*) Plan for the Prevention and Control of Deforestation in the Legal Amazon (PPCDAM)
Source: PRODES-INPE and BACEN

MORE PROTECTED AREAS

Brazil has 75.1 million ha of federal Conservation Units divided into:

- 139 Integral Protection Units totaling 36.2 million ha.
- 173 Sustainable Use Units totaling 38.9 million ha.

Two of these Integral Protection Units were established during the celebration of the World Environment Day on June 5:

- Bom Jesus Biological Reserve (state of Paraná): 34,200 ha of Atlantic Forest.
- Furna Feia National Park (state of Rio Grande do Norte): 8,500 ha of Caatinga.

On the same occasion, three other Units were expanded:

- Descobrimento National Park (state of Bahia): 22,700 ha of Atlantic Forest (including 1,500 ha of expansion) as area of integral protection.
- Araripe-Apodi National Forest (state of Ceará): 39,300 ha of Caatinga (including 706.8 ha of expansion) as area of sustainable use.
- Goytacazes National Forest (state of Espírito Santo): 1,420 ha of Atlantic Forest (including 74 ha of expansion) as area of sustainable use.

In 2012, 45,000 ha of protected areas were incorporated into the national territory.

INDIGENOUS PEOPLES AND COMMUNITIES

Creation of Indigenous Lands

An additional seven Indigenous Lands have been created, totaling 950,000 ha:

- Matintin (state of Amazonas): Tikuna people;
- Lago do Marinheiro (state of Amazonas): Mura people;

- Santa Cruz da Nova Aliança (state of Amazonas): Kokama people;

- Marmelos (state of Amazonas): Tenharim people;

- Porto Limoeiro (state of Amazonas): Tikuna people;

- Xipaya (state of Pará): Xipaya people;

- Riozinho do Alto Envira (state of Acre): Ashaninka people and isolated indigenous people.

Indigenous Lands cover an area of 109.77 million ha, corresponding to about 12.9% of the national territory and 22% of the Legal Amazon.

Indigenous lands are responsible for the preservation of 30% of Brazilian biodiversity

National Policy on Territorial and Environmental Management of Indigenous Lands (*Política Nacional de Gestão Territorial e Ambiental de Terras Indígenas* – PNGATI)

The PNGATI establishes principles and guidelines for the environmental and territorial management of Indigenous Lands and ensures the participation of indigenous peoples and communities in the processes aimed at the environmental management, conservation and recovery of biodiversity in their lands. The contribution of these peoples, combined with their traditional knowledge, is essential to protect the environment.

The policy was developed with broad participation of indigenous peoples and communities and will be a key instrument of coordination between government and civil society.

Indigenous Health and Food Security

The Plan of Action against Indigenous Mother-Child Mortality, which aims to enhance indige-

nous health actions focused on primary care, was introduced last June in the state of Acre, where health care services were provided to 5,630 people as follows: 2,379 medical exams, 1,050 dental exams and 2,201 exams by nurses. Fourteen patients in serious conditions were transferred and 144 elective cases were referred.

In addition to professionals from the Ministry of Health, the Plan is supported by the Ministry of Defense, which provides the logistics required to get to the villages, and the Ministry of Social Development, which provides food staples.

The action will be extended to four other Special Indigenous Health Districts (*Distritos Sanitários Especiais Indígenas* - DSEI) in July. The goal is to reach 16 DSEI by the end of 2012.

SUSTAINABLE GOVERNMENT PROCUREMENT

The inclusion of new rules in the Bidding Law will enable applying a sustainability criterion in the procurement of works and utilities. The criteria to be met include, for example, preference for materials, technologies and raw materials of local origin, increased generation of labor, preferably local, and lower impact on natural resources.

The adoption of sustainability criterion will have an important impact on the market, since government procurement represents 1.6% of GDP. In 2010, the Federal Government invested almost R\$ 70 billion in the procurement of goods and services.

In line with the action, the government introduced the Sustainable Esplanade Project (*Projeto Espla-*

nada Sustentável), which includes actions to increase effectiveness in the use of public resources and integrate the socio-environmental variable into the workplace.

O QUE O BRASILEIRO PENSA DO MEIO AMWHAAT DO BRAZILIANS THINK ABOUT THE ENVIRONMENT AND SUSTAINABLE CON- SUMPTION?

In April 2012 the Ministry of Environment, with support from the United Nations Environment Program (UNEP), conducted a survey of environmental awareness in Brazil, continuing the series started in 1992.

The survey shows that environmental awareness has increased significantly among Brazilians. The percentage of respondents who could not mention an environmental problem in Brazil, in their city or in their neighborhood has also decreased – from 46% in 1992 to 10% in 2012.

Concepts such as “sustainable development”, “sustainable consumption” and “biodiversity” are already known to many Brazilians. The notion of “environment” is no longer synonym with fauna and flora alone, but also includes waste, sanitation and other urban concerns.

In practice, the consumption patterns of Brazilians are still harmful to the environment and their quality of life, but people are more willing to take proactive steps such as separating the trash - an increase from 68% in 2001 to 86% in 2012.

Access to information and transparency

Law on Access to Information and Open Government

Government actions support and strengthen the full exercise of citizenship

LAW ON ACCESS TO INFORMATION IS IN FULL FORCE

Since May 16, any citizen can have access to documents and information produced by or under the custody of government agencies.

Information can be requested directly at the Citizen Information Service (*Sistema de Informação ao Cidadão* - CIS) of the public agency or at www.acessoainformacao.gov.br/sistema.

The deadline for replying is 20 days, extendable for another 10 days. All requests made to the Federal Executive Branch agencies use a single system, managed by the Office of the Comptroller General (*Controladoria-Geral da União* - CGU).

In the first 60 days of the Law, 17,500 requests were submitted, 94.4% of them by individuals and 5.6% by corporations.

Of this total, 14,700 (84%) had been answered:

- 12,100 (82.6%) requests were accepted;
- 1,400 (9.5%) were denied because they involved personal or confidential data; and
- 1,200 (7.9%) were denied because the topic they addressed fell outside the legal jurisdiction of the requested agency or because there was no information about it.

OPEN GOVERNMENT PARTNERSHIP

The annual conference of the Open Government Partnership was held in Brasília in April. The event, co-chaired by Brazil and the United States, was attended by delegations from 55 countries and representatives of civil society, businesses and governments.

The goal of OGP is to encourage governments of all countries to adopt transparency and social participation practices, including the use of new information technologies.

The **1st National Conference on Transparency and Social Control**, held in May, is part of Brazil's commitment to the Plan of Action for Open Government. The event was attended by 1,200 delegates elected in the preparatory stages - municipal, regional and state conferences; 302 free conferences; and one online conference - bringing together more than 150,000 government and civil society representatives.

Law on Access to Information Most requested government agencies		
Agency	Total	%
Superintendence of Private Insurance (SUSEP)	1,901	10.9
National Social Security Institute (INSS)	1,216	6.9
Central Bank of Brazil (BACEN)	774	4.4
Ministry of Planning, Budget and Management (MP)	583	3.3
Brazilian Post Office (ECT)	518	3.0
Ministry of Finance (MF)	499	2.8
Federal Savings Bank (CAIXA)	406	2.3
Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA)	381	2.2
Office of the Comptroller General (CGU)	372	2.1
Ministry of Labor and Employment (MTE)	352	2.0
Others	10,514	60.0
Total	17,516	100

Civil defense

Actions in response to natural disasters

R\$ 2.7 billion actions to address drought in the semi-arid region

Since October 2011, rainfall in the semi-arid region of Brazil has been well below the average for the period, resulting in the phenomenon known as “green drought”.

With the drought, low levels of reservoirs, dams and wells reduce the supply and potability of water for human consumption and lead to losses in family agriculture and herds.

To mitigate the impacts of drought on the population and economy of the region, R\$ 2.7 billion will be invested in emergency actions of programs to combat drought by 2012.

INTEGRATED COMMITTEE FOR COMBATING DROUGHT (*COMITÊ INTEGRADO DE COMBATE À SECA – CICS*)

Established in May 2012, the Committee articulates, coordinates and monitors actions against drought promoted by the Federal Government jointly with states and municipalities.

The Committees are scheduled to operate for six months or according to local needs. It is headquartered in the capital of each state.

The work of the committees is coordinated by the National Center for Risk and Disaster Management (*Centro Nacional de Gerenciamento de Riscos e Desastres - CENAD*), of the Ministry of National Integration.

WATER TANK TRUCK OPERATION

Since May, 3,360 water tank trucks have been hired and are operating in 640 municipalities, to distri-



bute drinking water to the population of locations battered by drought in the semi-arid regions of the Northeast.

Local needs are assessed and resized when necessary by the Committees, which also monitor the operation. The Brazilian Army is responsible for water distribution logistics and for coordinating water tank trucks.

Since June, water tank trucks have been assisted by GPS to improve the monitoring of distribution.

DROUGHT GRANT

Established in April 2012, the Drought Grant will benefit families of farmers affected by drought and not included in the Harvest-Guarantee (*Garantia-Safra*) Program. The amount of the benefit is R\$ 400 per family, paid in installments of at least R\$ 80. Payment to the eligible families began in June 2012.

Transfers are made in accordance with the timetable and on the same card as the Family Grant benefit.

Criteria to receive the Drought Grant

- Residing in the municipality declared in a state emergency or public calamity recognized by the Federal Government between January 1st and October 31st, 2012.
- Being a family farmer with Declaration of Aptitude to Pronaf (DAP);
- Having an average monthly household income of up to two minimum wages;
- Being enrolled in the Federal Government's Unified Registry for Social Programs;
- Not having joined the Harvest-Guarantee Program 2011/2012.

SPECIAL CREDIT LINE

R\$ 1 billion have been provided by the Constitutional Fund for Financing the Northeast (FNE) for investment credit, working capital and funding of agricultural and livestock production to rural producers, traders, service providers, and agroindustrial and industrial companies affected by drought in the area of operation of the Superintendence of Development of the Northeast (Sudene).

The credit limit varies from R\$ 12,000 to R\$ 100,000, at interest rates of up to 3.5% per year.

Beneficiaries will be enterprises located in municipalities declared in a State of Emergency or Public Calamity recognized by the National Civil Defense as of December 1st, 2011.

There are three lines of credit, all with a grace period of three years:

BORROWER	AMOUNT	INTEREST RATE
Pronaf "Group B" farmers	Up to R\$ 2,500	1.0% p.a.
Other farmers linked to Pronaf	R\$ 2,500 to R\$ 12,000	1.0% p.a.
Individual entrepreneurs; industrial, trade and service provision companies; production cooperatives, associations; agroindustries; and rural producers.	R\$ 12,000 to R\$ 100,000	3.5% p.a.

OTHER ACTIONS

- Water for All Program – R\$ 799 million for the construction of cisterns, simplified water supply systems, wells and pits. 111,000 have already been constructed, totaling 200,000 by the end of the year.
- Over-the-Counter Sale Program – provision to family farmers of a subsidy of 10% of the minimum sale price of corn for animal feed.
- Advance payment of the Harvest-Guarantee – R\$ 680 in five installments, starting from June/2012.

WATER INFRASTRUCTURE PROJECTS COMPLETED BETWEEN MARCH AND JUNE

- Pedro Alexandre Integrated Water Supply System (state of Bahia) - 77 km long;
- Seridó Pipeline System (state of Rio Grande do Norte) - 31 km long;
- Implementation of Drainage System in Baixada Campista (state of Rio de Janeiro), including macro drainage projects, dredging of channels Quitingueta and Coqueiros, channel construction, rehabilitation and modernization of sluice gates and dikes system.

Tourism

Brazil ranks sixth in world tourism

More tourists and a new campaign to promote Brazil abroad

TOURISM AND ECONOMY

Tourism activities in Brazil grew 6% in 2011, twice the world average, ensuring the country the sixth place among the largest tourism economies in the world.

The tourism sector accounts for 3.6% of Gross Domestic Product (GDP), contributing R\$ 78.5 billion to the economy, according to the World Travel Tourism Council (WTTC). The sector is also responsible for the creation of 2.8 million formal jobs in the country.

INDICATOR	2010	2011	Until June 2012
Domestic Arrivals	68.3 million	79.2 million	40.8 million
International Arrivals	7.9 million	9 million	4.6 million
Domestic Travels	186 million	195 million *	**

*Estimated

** Tourist data not yet consolidated in 2012.

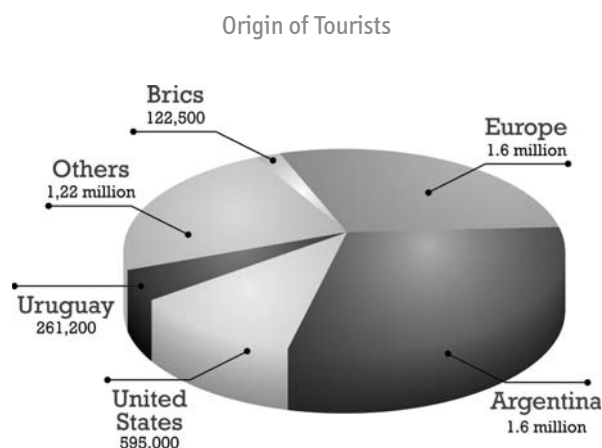
TOURIST FLOW IN 2011

In 2011, 5.4 million tourists entered the country, an increase of 3.8% over 2010.

Origin of tourists:

Argentines still rank first among foreign tourists visiting Brazil, followed by tourists from the United States and Uruguay.

The goal of the National Tourism Plan 2012-2015 is to receive 7.1 million tourists in 2015.



Source: Ministry of Tourism

Foreign Exchange Earnings

In 2011 Brazil had the largest foreign exchange earnings in tourism over the last 13 years. Spending by foreign tourists in the country reached US\$ 6.6 billion, 16% more than in 2010.

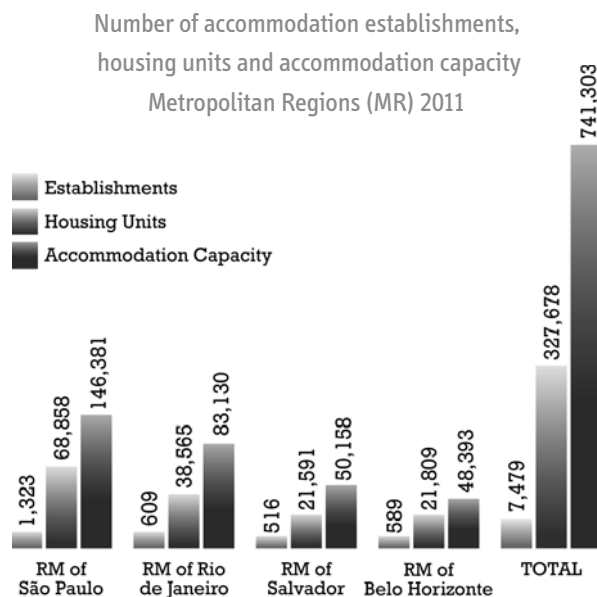
According to the International Congress and Convention Association (ICCA), the country moved up two positions from 9th to 7th in the ranking of countries hosting the most events in 2011.

ACCOMMODATION

The 2011 Accommodation Services Survey shows that in state capitals, metropolitan regions and integrated development regions, 327,678 housing units were available (suites, flats, rooms and cottages) in the country. This supply of accommodation

tion is guaranteed by 7,479 establishments with full capacity to cater to 741,303 guests.

The four largest metropolitan regions in terms of accommodation network are São Paulo, Rio de Janeiro, Belo Horizonte and Salvador, which account for 40.6% of establishments, 46.3% of housing units, and 44.2% of the total accommodation capacity.



Source: IBGE – Accommodation Services Survey 2011

BNDES ProCopa includes facility for sustainable hotels

The BNDES ProCopa credit line was established to meet the demands of the hospitality industry generated by the 2014 World Cup in the 12 the World Cup host cities. The credit line is focused on the concepts of Standard Hotel, Energy Efficiency Hotel and Sustainable Hotel, establishing different rules for each class. ‘Sustainable’ hotels will have longer terms to repay the loan.

There are currently 43 funding operations underway, totaling R\$ 563.46 million for the construction, expansion or renovation of 6,300 accommodation units.

“GOAL TO BRAZIL” ENHANCES TOURISM PROMOTION IN 14 COUNTRIES

The campaign aims to promote the country and the 12 host cities of the FIFA 2014 World Cup. The idea is to present to the world the best each state has to offer in terms of cuisine, culture, music and tourist attractions, with an emphasis on the attractions of the host cities and their ability to host a World Cup.

The first edition of the Goal to Brazil project was held in Santiago, Chile (07/05/2012). The actions will be taken to another thirteen countries in South America, North America and Europe.

TOURISM AND ENVIRONMENTAL SUSTAINABILITY – Green Passport

During the **Rio+20 Conference**, 45,000 primers were delivered in the form of passport (English, Portuguese and Spanish). The primer is part of the campaign “Green Passport - Sustainable Tourism for a Live Planet” launched in June 2012 to encourage tourists to adopt responsible consumption behaviors and promote the development of tourism based on sustainability standards.

TOURISM AT RIO+20 – To foreigners, the country is prepared for major events

A survey with foreign delegates and journalists attending the Rio+20 Conference showed that over 80% of them believe that Brazil is or will be prepared to host major sporting events. The highest ranking aspects were safety and street cleaning. The country’s natural beauty and the characteristics of Brazilians were also mentioned as positive aspects. The lowest ranking item was traffic.



Brazil and the World

Brazil and the World

The period was marked by the intensification of the bilateral agenda, the strengthening of relations with Latin America and the Caribbean and the Rio+20 Conference

REGIONAL AND MULTILATERAL AGENDA

Fourth BRICS Summit

The Fourth BRICS Summit, the group that brings together Brazil, Russia, India, China and South Africa, was held in India on March 28 and 29. On the occasion, major issues on the international political and economic agenda were addressed.

The BRICS remain the dynamic element of the global economy and will account for over half of the global GDP growth in 2012. The remarkable expansion of intra-BRICS trade, which increased from US\$ 27 billion in 2002 to an estimated US\$ 250 billion in 2011, is one of the pillars of that dynamism. Another pillar will be the establishment of the South-South Development Bank, for investment in productive and infrastructure projects in emerging and developing countries.

Leaders of the group's countries met again during the G20 Summit on June 18. On the occasion, it was concluded that the international crisis, due to its gravity, requires stronger financial cooperation among the five countries. The leaders also decided to proceed along two paths: the establishment of a pool of international reserves, which can be accessed by any of the BRICS countries in difficult times, and the negotiation of bilateral currency swap agreements, which can serve as additional financial protection.

Seventh G20 Summit

Brazil participated in the Seventh G20 Summit held in Los Cabos (Mexico) on June 18-19. The meeting was marked by the discussion of policies for the economic recovery of the regions most affected by the global financial crisis resulting from the deterioration of the situation in the Euro zone. Brazil stressed the importance of developed countries to adopt measures to stimulate economic growth, as well as of renewed efforts by European countries to overcome the difficulties of the banking sector and public finance in the region. The Leaders' Declaration recorded the commitment of European countries to these measures, in search of stability and recovery of the region. The Summit also pointed out the need to adopt public policies to create quality employment and jobs for youth.

Brazil announced its willingness to contribute with US\$ 10 billion within the package of new resources to the IMF, aimed to help countries seriously affected by the possible worsening of the international economic situation. With this, Brazil shows its willingness to assume new responsibilities in managing the international financial system, while discussions for further reform of the IMF quota system proceed, in order to broaden the participation of developing countries in decision-making processes of the organization.

Another topic of interest to Brazil in which the Summit reported progress was financial regulation, an area in which international harmonization efforts proceed with a view to ensuring sounder financial sectors and reduce the risk of global financial crisis.

Several countries, including Brazil, joined a new process for exchanging experience in the area of financial inclusion.

Also assessed was the progress of initiatives proposed by the G20 and developed within the United Nations Food and Agriculture Organization (FAO) in the areas of transparency in agricultural markets, rapid response to food emergencies, and development of tropical agriculture, all of great interest to developing countries.

Bilateral meetings with the President of Argentina, the Prime Minister of Italy, the German Federal Chancellor and the President of Russia were held on the sidelines of the G20 Summit.

Fourth Summit of the Americas

The Fourth Summit of the Americas was held in Cartagena de Indias, Colombia, on April 14-15. On the occasion the following priority topics for the region were discussed:

- Fight against poverty and inequality;
- Regional physical integration;
- Management and mitigation of risk of natural disasters;
- Access to and use of technology;
- Promotion of security and citizenship and fight against transnational organized crime, particularly drug trafficking.

The topic that monopolized the discussions, however, was Cuba's participation in upcoming editions of the Summit of the Americas.

Brazil supported the position, shared by all countries in Latin America and the Caribbean, that the Cartagena Summit should be the last one without the participation of all countries in the region.

Summit of Mercosur and Unasur Presidents

The political situation in Paraguay marked the 43rd Mercosur Summit held in Mendoza, Argentina, on June 29. On the occasion, the Presidents of Mercosur State Parties and Associate States decided to suspend Paraguay's right to participate in bloc's bodies. The decision was based on the Ushuaia Protocol on Democratic Commitment within Mercosur, signed in 1998 and in force since 2005.

To avoid damage to the Paraguayan people, no economic sanction was applied. For example, the bloc decided to maintain the various projects of the Mercosur Structural Convergence Fund (FOCEM) in Paraguay, in areas such as, inter alia, housing, access to electricity, and sanitation.

Another important outcome of the Mendoza Summit was Venezuela's accession to Mercosur.

A decision similar to that of Mercosur was made by Unasur member countries, which decided to suspend the rights of Paraguay to participate in the bodies and forums of the organization.

15th Meeting of the Council for Foreign and Community Relations of the Caribbean Community (CARICOM)

On May 4, Brazil participated as a special guest in the 15th Meeting of the Council for Foreign and Community Relations of the Caribbean Community (COFCOR-CARICOM), reinforcing the mutual commitment to strengthen ties between Brazil and the Caribbean. Participants in the meeting emphasi-

zed cooperation in the areas of food security, family agriculture, and social development.

Established in 1973, the Caribbean Community has 15 member countries.

Situation in Syria

Brazil has worked internationally to develop a political solution to the crisis in Syria. Among the major initiatives are:

- Endorsement of the Peace Plan presented by the Joint Special Envoy of the United Nations and the Arab League, Kofi Annan.
- Deployment of 11 Brazilian military officers to join the UN Supervision Mission to Syria (UNSMIS), established on April 21, 2012.
- Support for the convening of the special session of the UN Human Rights Council held on June 1st, which approved the resolution condemning the deterioration of the human rights situation in Syria.
- Support for the conduction of an independent process for the investigation, by the International Commission of Inquiry on Syria, coordinated by a Brazilian citizen, of crimes occurring on Syrian territory.

Situation in Guinea-Bissau

Brazil has contributed actively to international efforts to restore constitutional order in Guinea-Bissau, in view of the political-institutional crisis triggered by the coup occurred on April 12. The Brazilian government has sought to act in a coordinated manner with the various relevant actors, in particular the UN, the African Union, the Community of Portuguese-Speaking Countries (CPLP) and the Economic Community of West African States (ECOWAS).

On June 7, Brazil attended the Meeting of the International Contact Group on Guinea-Bissau, in Ivory Coast, co-chaired by CPLP and ECOWAS.

Election to the Inter-American Court of Human Rights

The 42nd OAS General Assembly held in Cochabamba, Bolivia, elected on June 5 Brazil's candidate for the position of judge of the Inter-American Court of Human Rights.

BILATERAL AGENDA

Visit to Germany

Between 4 and 6 March, the Brazilian President visited Germany to participate in the opening of the International Fair of Information Technology, Telecommunications, Software and Services (CeBIT). On the occasion, the President met with the Federal Chancellor of Germany.

Brazil, which has the sixth largest consumer market in this segment worldwide, was the theme-country of the 2012 edition of CeBIT, the largest international event of its kind. The visit translated into many business opportunities for Brazilian companies producing information and communication technologies.

Germany is a key partner in the Science without Borders (*Ciência sem Fronteiras*) Program. By 2014, more than 10,000 Brazilian students will be studying at German institutions.

Visit to India

Between March 30 and 31, the Brazilian President visited India, following Brazil's participation in the 4th BRICS Summit. On the occasion, authorities of the two countries discussed the main topics on the bilateral agenda, particularly in the fields of scien-

ce and technology, education, defense, culture, environment and social policies. Brazil and India are working together to build an institutional system that is more representative of the current global reality. The two countries maintain close coordination in the UN and WTO and are members of the IBSA (with South Africa) and BRICS groups (with China, Russia and South Africa).

Visit to the United States of America

Between April 9 and 10, the Brazilian President visited the United States to enhance the US-Brazil partnership and advance the bilateral dialogue underway since the visit of the US President to Brazil in March 2011. During the visit, a seminar was held, which brought together a significant representation of the business, academic and government communities of both countries. Cooperation in the fields of education and science and technology, which is the central axis of this partnership, led to meetings with the academic and scientific community of the Massachusetts Institute of Technology (MIT) and Harvard University, where a meeting was held with Brazilian scholarship holders selected by the Science without Borders Program.

Brazil and the US have 24 bilateral mechanisms of dialogue, coordination and consultation in place at the ministerial level.

Visit of the President of Benin

On March 23, the President of the Republic of Benin paid an official visit to Brazil. On the occasion, the main topics on the bilateral agenda were discussed, with an emphasis on investment in the energy and infrastructure sectors. Benin holds the rotating presidency of the African Union and is a

member of the “Cotton-4”, the technical cooperation project aimed at strengthening the cotton production chain through the sharing of technologies developed in Brazil. The two countries also cooperate in areas such as treatment of sickle cell anemia, vocational education and cooperativism, social inclusion through football, and management of tangible and intangible assets.

Visit of the President of Uruguay

The President of Uruguay paid a working visit to Brazil on April 19. Among the topics discussed were the priority sectors for bilateral cooperation such as physical and energy integration, science, technology and innovation, biotechnology, digital TV, as well as regional integration.

In recent years, Brazil has become the main trading partner of Uruguay.

Visit of the Prime Minister of Mozambique

The Prime Minister of Mozambique visited Brazil on May 13-18. Bilateral economic relations between the two countries have advanced, driven by the presence of Brazilian companies in Mozambique. Brazilian cooperation in Mozambique includes projects in the areas of health, education, agriculture, food security and energy.

Visit of the President of Tanzania

The President of the United Republic of Tanzania made a working visit to Brazil on April 15-20, accompanied by a large entourage. In addition to attending the Annual Meeting of the Open Government Partnership (OGP), held in Brasília on April 17-18, the President of Tanzania participated in meetings in Brasília, São Paulo and São José dos

Campos. The main foci of the visit were agricultural cooperation, food security, and the promotion of investment in energy and infrastructure.

In Brasília, the President of Tanzania met with the Brazilian President on the sidelines of the OGP Conference, and visited Embrapa and the Center of Excellence against Hunger of the World Food Program. He also visited private sector entities in São Paulo and Embraer facilities in São José dos Campos.

Visit of the King of Spain

On June 4, Brazil received the visit of the King of Spain. Among the topics discussed were the strengthening of economic relations between the two countries and the importance of improving the treatment given to Brazilians visiting Spain.

The King was accompanied by a group of Spanish businessmen interested in expanding their activities in Brazil. Spain is the second largest foreign investor in Brazil, with a capital stock of more than US\$ 85 billion. In 2011, bilateral trade amounted to US\$ 7.97 billion, representing a 20% increase compared to 2010.

Visit of the Governor General of Canada

The Governor General of Canada visited Brasília on April 23, when granting of 12,000 places in Canadian universities for Brazilian students participating in the Science without Borders Program was announced. Authorities of the two countries also discussed the possibility of increasing secondary-level opportunities for young people in vocational and technical education.

The results of the Thousand Women Program (Programa Mulheres Mil), a partnership between

Brazilian and Canadian Federal Institutes of Education, got positive evaluations. The program provides vocational training for women heads of household in age group 16-70 years, with low education level and in a situation of social vulnerability. Between 2008 and 2011, the Program benefited 10,000 students. In 2012, the goal is to reach a total of 20,000 women.

The Governor General was accompanied by 30 presidents of Canadian universities.

Side meetings held during Rio+20

During Rio+20, there was an intense agenda of bilateral meetings with Heads of State and Government attending the Conference in Rio de Janeiro. On June 20, the Brazilian President met with the Presidents of France, Peru, Senegal and Nigeria. On June 21 the agenda included meetings with the Prime Ministers of Turkey, Australia and China and the President of Uruguay. Also on June 21, the Brazilian President attended the UN Women Leaders' Forum on Gender Equality and a dinner with 15 African Heads of State and Government. On June 22, hearings were held with the Prime Minister of Denmark and the Presidents of Congo, Cuba and Bulgaria.

Visit of the Prime Minister of China

The Prime Minister of China visited Brazil on June 21, on the sidelines of the Rio+20 Conference. On the occasion, the two governments announced that Sino-Brazilian relations were being raised to the level of a Global Strategic Partnership. This decision attests to the recognition of the growing strategic influence of the two countries in an in-

ternational scenario marked by the emergence of a multipolar world.

In addition to the Ten-Year Cooperation Plan - structuring joint initiatives in science, technology and innovation - bilateral acts were signed in the economic and trade, financial, customs cooperation, agriculture, science and technology, cultural, and educational exchange areas among others. On the occasion, an agreement was also signed

on currency swap between the two countries. Brazil and China can reciprocally access up to R\$ 60 billion (US\$ 30 billion or CNY 190 billion) pursuant criteria defined by their respective central banks. Since 2009 China has been Brazil's major trading partner and main source of flow of new investments into the country. In 2011 China accounted for 15.9% of global trade in Brazil (17.3% of exports and 14.5% of imports).

Brazil and Spain meet to discuss the migration issue

Delegations of Brazil and Spain met on June 4 in Madrid to discuss the establishment of mutual mechanisms to facilitate the entry of national visitors from both countries into each other's territories.

Laws, rules and practices of both countries were reviewed, with a view to preparing the list of requirements for crossing borders. The list will be available on the websites of the embassies and consulates of both countries.



Normative Agenda

Economic and financial

Provisional Presidential Decrees

561 of 3.8.2012	<ul style="list-style-type: none"> • Expands the authorization and extends the term of the subsidy for companies and rural producers in municipalities affected by natural disasters declared in a state of emergency or public calamity recognized by the Federal Executive branch. • Amends the Law on the compulsory transfer of financial resources to implement actions under the Growth Acceleration Program - PAC, in order to establish rules for the allocation of resources to basic sanitation services. • Amends the rules of the Growth Acceleration Program - PAC as regards: <ul style="list-style-type: none"> - increasing the possibilities for exempting beneficiaries from financial participation in PAC-related-operations, in addition to that intended for assistance to families that lost their only property in cases of natural disasters; - increasing the family income limit for the inclusion of families assisted by the Program for having been removed due to PAC projects, calamity, or other operations of the Federal Government; - improve its operation through the Residential Lease Fund (FAR), which now has its assets divided into quotas.
563 of 4.3.2012	<ul style="list-style-type: none"> • Establishes the National Program of Support for Oncological Care (PRONON). • Establishes the National Program of Support for the Health Care of Persons with Disabilities (PRONAS/PCD). • Reestablishes the One Computer Per Student Program (PROUCA). • Establishes the Special regime of Incentive to Computers for Educational Use (REICOMP). • Establishes the Special Tax Regime of the National Broadband Program for the Implementation of Telecommunications Networks (REPNBL-Redes). • Establishes the Program of Incentive to Technological Innovation and Improvement of the Motor Vehicle Production Chain (INOVAR-AUTO). • Amends the social security contribution system for companies in various segments.
564 of 4.3.2012	<ul style="list-style-type: none"> • Extends the term of the Investment Support Program (PSI). • Extends the term of the BNDES Revitalize Program. • Establishes the Brazilian Agency for the Management of Funds and Guarantees S.A. (ABGF).
565 of 4.24.2012	<ul style="list-style-type: none"> • Establishes credit lines with resources from the Constitutional Funds for the Financing of the North, Northeast and Central-West to meet the needs of rural producers and businesses in municipalities affected by natural disasters declared in a state of emergency of public calamity recognized by the Federal Executive Branch.
567 of 5.3.2012	<ul style="list-style-type: none"> • Amends the rules for Savings Accounts.
571 of 5.25.2012	<ul style="list-style-type: none"> • Amends Law 12,651 of May 25, 2012 – Forest Code, to fill gaps and better adjust it to the Brazilian constitutional context.

Laws

12597 of 3.22.2012	<ul style="list-style-type: none"> Establishes the provision of R\$ 1.95 billion by the Federal Government to states, the Federal District and municipalities to promote exports.
12598 of 3.22.2012	<ul style="list-style-type: none"> Establishes special rule for the purchase, commissioning and development of defense products and systems.
12599 of 3.23.2012	<ul style="list-style-type: none"> Establishes the Cinema Close to You (<i>Cinema Perto de Você</i>) Program, aimed to expand, diversify and decentralize the cinema market in Brazil. Establishes the Special Tax Regime for the Development of the Movie Industry (<i>Recine</i>). Amends the taxation of PIS/COFINS in the coffee production chain.
12613 of 4.18.2012	<ul style="list-style-type: none"> Directs deposits raised by financial institutions towards credit operations intended for low-income populations, purchase of assistive technology goods and services for people with disabilities. Authorizes the granting of economic subsidy to financial institutions in funding transactions for the acquisition by individuals of assistive technology goods and services intended for people with disabilities.
12618 of 4.30.2012	<ul style="list-style-type: none"> Establishes the complementary pension regime for federal civil servants.
12651 of 5.25.2012	<ul style="list-style-type: none"> New Forest Code. Establishes the limits of Areas of Permanent Preservation and the legal environmental protection regime thereof. Establishes the limits of the Legal Reserve and the legal environmental protection regime thereof; Establishes the Rural Environmental Registry, a nationwide electronic public registry of mandatory use for all rural properties. Restores the rural consolidated areas and regime thereof.
12655 of 5.30.2012	<ul style="list-style-type: none"> Increases the limit of the commercial value of residential units under the My House, My Life Program for the purpose of reviewing projects for the incorporation of properties as assets of social interest. Reduces to zero the PIS/COFINS tax rate on cheese and pasta.
12666 of 6.14.2012	<ul style="list-style-type: none"> Authorizes the Federal Government to provide economic subsidies to financial institutions for contracting and monitoring operations related to oriented productive micro-credit as well as for financing operations for the storage of ethanol fuel.

Decrees

7698 of 3.9.2012	<ul style="list-style-type: none"> Amends item XXII, Article 15 A of Decree 6,306 of December 14, 2007, not provided for in Decree 7,683 of 2.29.2012.
7699 of 3.15.2012	<ul style="list-style-type: none"> Amends the rules of Tax on Credit, Exchange and Insurance Transactions or related to Bonds and Securities (IOF).
7705 of 3.25.2012	<ul style="list-style-type: none"> Reduces the IPI (Tax on Industrialized Products) for products specified in the Law.
7708 of 4.2.2012	<ul style="list-style-type: none"> Establishes the Brazilian Nomenclature for Services, Intangible Goods and Other Operations that Produce Equity Variations (NBS).
7709 of 4.3.2012	<ul style="list-style-type: none"> Establishes the application of margins of preference for domestic products in biddings carried out within the Federal Public Administration for the purchase of backhoes and motor graders.
7710 of 4.3.2012	<ul style="list-style-type: none"> Regulates the granting of interest rates equalization supported by the Export Financing Program (PROEX).
7711 of 4.3.2012	<ul style="list-style-type: none"> Establishes the Tripartite Commission for the Monitoring and Evaluation of Tax Exemption on Payroll.
7713 of 4.3.2012	<ul style="list-style-type: none"> Establishes the application of margins of preference for domestic products in biddings carried out within the Federal Public Administration for the purchase of drugs and medicines.
7715 of 4.3.2012	<ul style="list-style-type: none"> Updates the regulation of the Digital Inclusion Program (<i>Programa de Inclusão Digital</i>).
7716 of 4.3.2012	<ul style="list-style-type: none"> Regulates the Program of Incentive to Technological Innovation and Improvement of the Motor Vehicle Production Chain (INOVAR-AUTO).
7725 of 5.21.2012	<ul style="list-style-type: none"> Reduces the IPI rate for automotive vehicles.
7726 of 5.21.2012	<ul style="list-style-type: none"> Amends the tax rate on Credit, Exchange and Insurance Transactions or related to Bonds and Securities (IOF) for the financing of automotive vehicles.
7728 of 5.24.2012	<ul style="list-style-type: none"> Authorizes the National Monetary Council (CMN) to establish credit lines with compliance bonus under the National Program for Strengthening Family Agriculture (<i>Pronaf</i>).
7729 of 5.25.2012	<ul style="list-style-type: none"> Regulates the Cinema Close to You Program. Establishes rules for the Special Tax Regime for the Development of the Movie Industry (<i>Recine</i>).
7741 of 5.30.2012	<ul style="list-style-type: none"> Changes the IPI rate for air conditioners, microwave ovens and motorcycles.
7742 of 5.30.2012	<ul style="list-style-type: none"> Updates the tax levied on cold beverages.

Decrees (cont.)

7750 of 6.8.2012	<ul style="list-style-type: none"> Regulates the One Computer per Student Program (PROUCA) and the Special Regime of Incentive to Computers for Educational Use (REICOMP).
7751 of 6.13.2012	<ul style="list-style-type: none"> Reduces the term of incidence of the 6% IOF tax rate from five to two years in exchange transactions for the inflow of funds to the country related to foreign loans.
7756 of 6.14.2012	<ul style="list-style-type: none"> Establishes the application of margins of preference for domestic products in biddings carried out within the Federal Public Administration for the purchase of apparel, footwear and artifacts.
7764 of 6.22.2012	<ul style="list-style-type: none"> Reduces the rate of the Contribution for Intervention in the Economic Domain (CIDE) levied on the import and sale of oil and derivatives, natural gas and derivatives and ethanol fuel.
7767 of 6.27.2012	<ul style="list-style-type: none"> Establishes the application of margins of preference for domestic products in biddings carried out within the Federal Public Administration for the purchase of medical products for the purposes provided for in Art. 3, Law 8,666 of June 21, 1993.
7768 of 6.27.2012	<ul style="list-style-type: none"> Defines the reduction rate of the contribution for PIS/PASEP and the Contribution for Social Security Financing (COFINS) levied on the production and sale of biodiesel as well as the terms and conditions for the use of differentiated rates.
7770 of 6.28.2012	<ul style="list-style-type: none"> Extends by two months the reduction in IPI rates for white line appliances (stove, refrigerator, washing machine and wash tubs) and by three months the exemption on furniture, PET laminates, lamps and wallpaper.

Unnumbered Decrees

6.5.2012	<ul style="list-style-type: none"> Expands the Descobrimento National Park in the municipality of Prado, State of Bahia, among other provisions.
6.5.2012	<ul style="list-style-type: none"> Expands the limits of the National Forest of Goytacazes in the municipality of Linhares, state of Espírito Santo, among other provisions.
6.5.2012	<ul style="list-style-type: none"> Provides for the expansion and objectives of the Araripe-Apodi National Forest in the municipality of Barbalha, state of Ceará.
6.5.2012	<ul style="list-style-type: none"> Creates the Fuma Feia National Park in the municipalities of Baraúna and Mossoró, state of Rio Grande do Norte.
6.5.2012	<ul style="list-style-type: none"> Creates the Bom Jesus Biological Reserve in the municipalities of Antonina, Guaraqueçaba and Paranaguá, state of Paraná.
6.15.2012	<ul style="list-style-type: none"> Establishes the Processing and Export Zone (ZPE) in the municipality of Uberaba, state of Minas Gerais.

Social

Provisional Presidential Decrees

562 of 3.20.2012	<ul style="list-style-type: none"> • Authorizes the direct transfer of Federal funds to states to support the Articulated Actions Plan (PAR), with the aim to promote the improvement of public basic education. • Amends the Fundeb Law so as to enable the counting of enrolments by rotation in family centers of education.
570 of 5.14.2012	<ul style="list-style-type: none"> • Expands the Family Grant Program by establishing the variable benefit for overcoming extreme poverty in early childhood, aimed at families with at least one child 0-6 years old. • Authorizes the transfer of Federal funds to municipalities and the Federal District for the purpose of increasing the supply of early childhood education in public education establishments, or community, religious or philanthropic nonprofit institutions. • Authorizes an additional transfer of Federal funds for assistance in day care centers of children 0-48 months registered in the School Census, whose families are beneficiaries of the Family Grant Program.

Laws

12603 of 4.3.2012	<ul style="list-style-type: none"> • Amends the Law on Guidelines and Basis of National Education for the benefit of distance education, by reducing the costs of means of communication explored by government authorization, concession or permission.
12608 of 4.10.2012	<ul style="list-style-type: none"> • Establishes the National Protection and Civil Defense Law (PNPDEC) on prevention, mitigation, preparation, response, and recovery actions aimed at civil defense. • Provides for the National Protection and Civil Defense System (SINPDEC) and for the National and Civil Defense Council (CONPDEC).
12650 of 5.17.2012	<ul style="list-style-type: none"> • Amends the Penal Code, establishing that in crimes against the sexual dignity of children and adolescents the status of limitation shall start on the date the victim turns 18 years old.
12653 of 5.28.2012	<ul style="list-style-type: none"> • Amends the Penal Code to typify as crime the act of conditioning emergency medical-hospital care on any guarantee or on the previous completion of any administrative form. • Determines that health facilities providing emergency medical-hospital care shall be obliged to post in a visible location a sign explaining that conditioning care on a financial guarantee or the completion of a form is a crime.
12654 of 5.28.2012	<ul style="list-style-type: none"> • Amends Laws 12037 of October 1st, 2009 and 7210 of July 11, 1984 – Criminal Law Enforcement, by determining the collection of genetic profile as a means of criminal identification.

Laws (cont.)

12662 of 6.5.2012	<ul style="list-style-type: none">• Ensures nationwide validity to the Live Birth Certificate (DNV) as an instrument to develop public policies and register births.• Amends Law 6015 of December 31, 1973 by determining that birth maps submitted quarterly to IBGE by civil registry officials shall contain the identification number of the DNV, for the purpose of promoting the integration of information provided by public agencies and the active search of births.
12663 of 6.5.2012	<ul style="list-style-type: none">• General Cup Law: provides for measures related to the FIFA 2013 Confederations Cup, the FIFA 2014 World Cup and the 2013 World Youth Journey.

Decrees

7721 of 4.16.2012	<ul style="list-style-type: none">• Conditions the payment of unemployment insurance on proof of the worker's enrolment in and attendance of initial and continued training or professional qualification courses with a minimum duration of 160 hours under Pronatec.
7723 of 5.4.2012	<ul style="list-style-type: none">• Extends the term of the compulsory licensing, on behalf of public interest, of patents related to the antiretroviral Efavirenz for non-commercial public use (free distribution by SUS under the National STD/HIV Program).
7724 of 5.16.2012	<ul style="list-style-type: none">• Regulates the Law on Access to Information within direct administration agencies, independent government bodies (<i>autarquias</i>), public foundations, public companies, joint stock companies and other entities controlled directly or indirectly by the Federal Government, and establishes rules for advertising information on private nonprofits that receive public funds.
7747 of 6.5.2012	<ul style="list-style-type: none">• Establishes the National Policy for the Territorial and Environmental Management of Indigenous Lands (PNGATI).
7758 of 6.15.2012	<ul style="list-style-type: none">• Amends Decree 5209 of September 17, 2004, which regulates Law 10836 of January 9, 2004 that established the Family Grant Program, regarding the benefit for overcoming extreme poverty in early childhood.

Unnumbered Decrees

3.1.2012	<ul style="list-style-type: none">• Establishes the National Permanent Dialogue Table on the Improvement of Working Conditions in the Construction Industry, of tripartite and parity composition, with the aim to disseminate the national commitment to improve working conditions in the construction industry as well as to monitor and evaluate compliance thereof.
5.9.2012	<ul style="list-style-type: none">• Declares of public and social interest the private document collection of educator Paulo Reglus Neves Freire.

Unnumbered Decrees (cont.)

6.5.2012	<ul style="list-style-type: none">• Establishes the Integrated Management Committee of Health Care and Food Security Actions for the Indigenous Population, with the aim to promote coordination among Federal Government entities and agencies for the indigenous population, as well as to support and monitor the implementation of these actions.
6.5.2012	<ul style="list-style-type: none">• Approves the administrative demarcation of the Indigenous Land Santa Cruz da Nova Aliança, located in the municipality of Tonantins, state of Amazonas.
6.5.2012	<ul style="list-style-type: none">• Approves the administrative demarcation of the Indigenous Land Matintin, located in the municipalities of Santo Antônio do Içá and Tonantins, state of Amazonas.
6.5.2012	<ul style="list-style-type: none">• Approves the administrative demarcation of the Indigenous Land Tenharim Marmelos - Lot B, located in the municipalities of Humaitá and Manicoré, state of Amazonas.
6.5.2012	<ul style="list-style-type: none">• Approves the administrative demarcation of the Indigenous Land Riozinho do Alto Envira, located in the municipalities of Feijó and Santa Rosa do Purus, state of Acre.
6.5.2012	<ul style="list-style-type: none">• Approves the administrative demarcation of the Indigenous Land Xipáya, located in the municipality of Altamira, state of Pará.
6.14.2012	<ul style="list-style-type: none">• Convenes the 3rd Global Conference on Child Labor.

Infrastructure

Laws

12648 of 5.17.2012	<ul style="list-style-type: none">• Amends the Law on Airport Tariffs and allocations to the National Civil Aviation Fund, and authorizes the Brazilian Airport Infrastructure Company (Infraero) to establish subsidiaries and participate in other public or private companies.
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Decrees

7746 of 6.5.2012	<ul style="list-style-type: none">• Regulates the Law on Bids and Contracts of the Public Administration to establish criteria, guidelines and practices to promote sustainable national development in contracts signed by the federal public administration, and establishes the Interministerial Commission on Sustainability in the Public Administration (CISAP).
7755 of 6.14.2012	<ul style="list-style-type: none">• Establishes the High-Speed Rail Transport Company S.A. (ETAV).

International

Decrees of Enforcement

7700 of 3.15.2012	<ul style="list-style-type: none">• Internalizes Resolution 2025 of December 14, 2011 of the United Nations Security Council renewing the sanction regime applied to Liberia.
7722 of 4.20.2012	<ul style="list-style-type: none">• Internalizes Resolutions 1540 and 1977 of April 28, 2004 and April 20, 2011, of the United Nations Security Council, which provides for the fight against the proliferation of weapons of mass destruction and the duration of Committee 1540.

Decrees of Promulgation

7685 of 3.1.2012	<ul style="list-style-type: none">• Promulgates the agreement between the Government of the Federative Republic of Brazil and the Government of the Federal Republic of Germany on Cooperation in the Energy Sector with a focus on Renewable Energies and Energy Efficiency, signed in Brasília on May 14, 2008.
7686 of 3.1.2012	<ul style="list-style-type: none">• Promulgates the agreement on Financial Cooperation for the “Renewable Energy Credit Program” between the Federative Republic of Brazil and the Federal Republic of Germany.
7739 of 5.28.2012	<ul style="list-style-type: none">• Promulgates the agreement between the Federative Republic of Brazil and the United Nations for holding the United Nations Conference on Sustainable Development in Rio de Janeiro, Brazil, from June 13-22, 2012.
7761 of 6.19.2012	<ul style="list-style-type: none">• Promulgates the agreement between the Government of the Federative Republic of Brazil and the Republic of Bolivia for the Construction of an International Bridge on the Rapirã Creek between the Cities of Plácido de Castro and Montevideo, signed in La Paz on December 17, 2007.
7762 of 6.19.2012	<ul style="list-style-type: none">• Promulgates the Memorandum of Understanding between the Government of the Federative Republic of Brazil and the Government of the Republic of Cuba for Cooperation in the Sectors of Fishing and Aquaculture, signed in Havana on September 26, 2003.
7763 of 6.19.2012	<ul style="list-style-type: none">• Promulgates the agreement on the Exchange of Notes for the Establishment of a Non-Aedificandi Zone in Urban Areas between the Government of the Federative Republic of Brazil and the Government of the Republic of Paraguay, signed in Asuncion on April 9, 2008.



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