



# Highlights

JULY 2013

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Electronic version available at: <http://www.planalto.gov.br>

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

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**T**his second 2013 issue of Highlights features the programs launched between March and June of the present year, in addition to providing information and consolidating the results of the Federal Government's priority actions in the 30 months of the current administration.

The profile of Brazilian municipalities, outlined by the Basic Municipal Information Survey conducted by the IBGE, is summarized in the first part of the chapter Brazil in Figures. It shows that although there are still significant differences in population size, there have been important advances in the structure and management tools available for policy implementation by Brazilian municipalities. Still in the same chapter, the Economic Scenario provides an assessment of the recent economic situation, explaining that at the end of the first half of 2013, formal employment continues to grow and unemployment remains at the lowest levels of the historical series; inflation started a downward trend and should be within the target for the tenth consecutive year at the end of 2013; and the country's fiscal soundness is confirmed by several indicators.

The Chapter Management Highlights features the results accumulated by the Brazil without Extreme Poverty Plan (*Plano Brasil sem Miséria*) two years into its inception, as well as the progress of infrastructure initiatives under the Growth Acceleration Program (*Programa de Aceleração do Crescimento* – PAC), with emphasis on the availability, by June, of R\$ 89 billion for investment in public transport, which will benefit the population of 100 medium and large cities in the country. In addition to an assessment of health policies, this chapter also provides information about the More Doctors (*Mais Médicos*) Program, which aims to increase the supply of medical professionals throughout Brazil, by combining immediate impact actions to fill current health care gaps with other actions which, in the medium term, will increase the offer of places in medical schools in the country. Actions to encourage productive investment as well as support agribusiness and family agriculture in

the 2013/2014 harvest are also contained in this chapter, in addition to measures related to the Harvest Plan for the Semi-arid Region (*Plano Safra do Semiárido*). The execution of the My House My Life (*Minha Casa Minha Vida*) Program continues apace, with 1.24 million dwellings delivered and another 1.5 million contracted until June 2013. The successful implementation of the Program has encouraged the expansion of its overall goal and the launch of the My Better House (*Minha Casa Melhor*) Program, which offers the beneficiaries of My House My Life a special credit facility for the purchase of furniture and home appliances. The section also provides an assessment of actions to combat the effects of drought in the semi-arid region and of the new measures implemented to strengthen partnerships with states and municipalities. Finally, it introduces the Women: Living without Violence (*Mulher: Viver sem Violência*) Program, which aims to strengthen the capacity of the State to assist victims of violence against women in Brazil.

The intense bilateral and multilateral agenda implemented in the March-June quarter of 2013 is described in the chapter Brazil and the World. Another highlight in the same period was the increasing presence of Brazilians as heads of international organizations, as well as the intensification of consular actions in support of immigrants.

Lastly, the Normative Agenda chapter features the main normative acts implemented over the period, whose full legislative text can be found at: <http://www.planalto.gov.br/legislacao>.

The editors of Highlights acknowledge the support of all federal government agencies that provided the information contained herein. Comments and suggestions can be emailed to [destaques.secom@planalto.gov.br](mailto:destaques.secom@planalto.gov.br) and will greatly contribute to the improvement of the publication.

Enjoy your reading.  
**The Highlights Team**



# Brazil in Figures

# A Profile of the Brazilian municipalities in 2012

## Challenges in city management and structure to serve the population

The Basic Municipal Information Survey was carried out between May and December 2012 in the 5,565 municipalities existing in the country until December 2011. In its 10th edition, the survey conducted by the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística* - IBGE) analyzed the supply and quality of public services vis-à-vis the capacity of municipal managers to serve their populations.

### EMPLOYED POPULATION

In 2012, 6.3 million persons were employed by the municipal and Federal District governments, accounting for 3.2% of the population. From this total, 95.3% were linked to the direct administration and 4.7% to the indirect administration.

This number represents an increase of 31.7% over 2005, when 4.8 million people or 2.6% of the population held these positions.

The highest average growth was recorded in cities with population between 100,000 and 500,000 (46.4%) and the lowest average growth in municipalities with population between 5,000 and 10,000 (14.7%).

### LEGISLATION AND PLANNING INSTRUMENTS

The Statute of the City provides for social participation in the urban policy management of municipalities through local urban policy councils. In 2012, 1,231 municipalities had a council in place, an increase of 68.3% compared to 2005, when these councils existed in 731 municipalities.

As for the development of the Master Plan, which is the basic urban policy instrument, 2,658 municipalities (47.8% of the total) had crafted a Plan, against 805 municipalities (14.5%) in 2005.

According to the survey, 91.9% of municipalities had one of the following urban policy instruments in place:

- 70.6% of municipalities had a City Code;

- 69.3% of municipalities had an Urban Perimeter Law;
- 54.6% had a Building Code;
- 40.3% had a Zoning or Land Use and Occupation Law.

### FUNDS FOR MUNICIPAL MANAGEMENT

Municipal tax collection control instruments were modernized by the computerization of property tax records (*Imposto Predial e Territorial Urbano* - IPTU) in 84.9% of municipalities, and Service Tax records (*Imposto Sobre Serviços* - ISS) in 81.9% of them.

Other important fees to increase tax revenues were levied in 92% of Brazilian municipalities as follows:

- **73.8%** – public lighting fee;
- **51.6%** – police power fee;
- **50.7%** – garbage collection fee;
- **41.3%** – street cleaning fee;
- **4.8%** – fire fee.

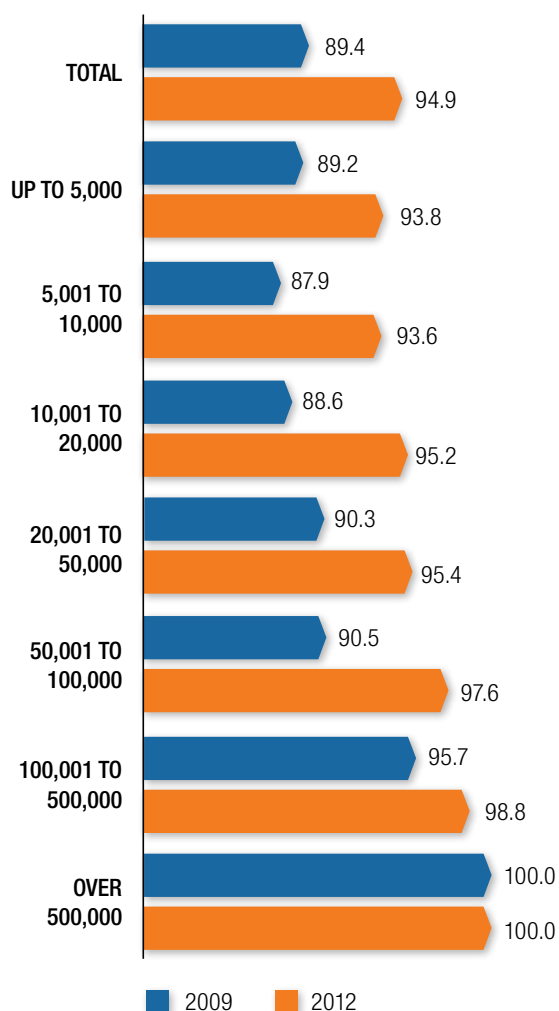
### COMMUNICATION AND IT

All municipalities had computers in direct administration agencies, enabling a more efficient management of available resources as well as quicker access to information for decision making and society accountability. 99.8% of these municipalities had computers with Internet access.

- 95% of municipalities provided some sort of distance assistance, compared to 94.2% in 2009.
- 74.5% of municipalities had a website, against 60% in 2009 and 48.1% in 2006. In 11.2% of municipalities the website was accessible to persons with disabilities.
- 90.5% of municipalities reported having developed a digital inclusion policy or plan in 2012, compared to 52.9% in 2006.



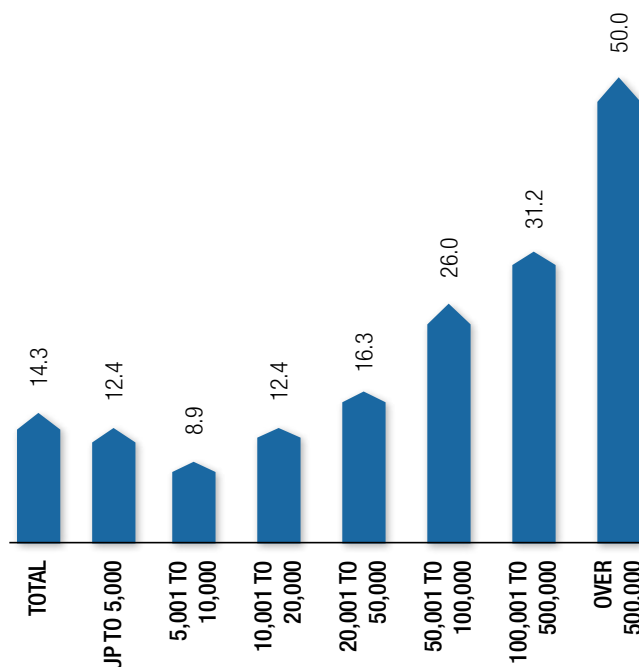
## PERCENTAGE OF MUNICIPALITIES WITH COMPUTER NETWORK BY CLASSES OF POPULATION SIZE OF MUNICIPALITIES - BRAZIL - 2009/2012



SOURCE: IBGE, BOARD OF RESEARCH, COORDINATION OF POPULATION AND SOCIAL INDICATORS, BASIC MUNICIPAL INFORMATION SURVEY 2009/2012.

- 76.8% of the cities had computers with internet access in public municipal schools for the use of students and teachers, compared to 61.8% in 2006.
- In 795 municipalities the local government provided Wi-Fi internet access mostly free of charge (744), being predominately located in the Southeast (263), Northeast (190) and South (180) regions of the country. About 50% of these municipalities had a population over 500,000.

## MUNICIPALITIES WITH WI-FI NETWORK ACCESS GUARANTEED BY THE LOCAL GOVERNMENT BY CLASSES OF POPULATION SIZE OF MUNICIPALITIES - BRAZIL - 2012 (%)



SOURCE: IBGE, BOARD OF RESEARCH, COORDINATION OF POPULATION AND SOCIAL INDICATORS, BASIC MUNICIPAL INFORMATION SURVEY 2012.

## TRANSPORTATION

Public transportation is within the responsibility of the municipalities, constituting a service that directly influences the quality of life of the population. In 2012, 74.3% of municipalities had a management agency responsible for the transportation policy.

- This percentage rises to 90.5% in municipalities with population between 50,000 and 100,000 and to 94.4% in municipalities with population between 100,000 and 500,000.
- All municipalities with population over 500,000 have a transportation policy management agency.
- 76.3% of the municipalities with population over 500,000 had a Transportation Council and 47.4% had a Transportation Fund.
- 55.3% of the cities with population over 500,000 had a Municipal Transportation Plan and in 28.9% of them the Plan was under development.

## 8 Brazil in figures



### TYPES OF TRANSPORTATION – 2012 (% BY MUNICIPALITY):

**85.8%** provided intercity bus service (84.7% in 2009);

**83.5%** provided taxi service (80.8% in 2009);

**67.7%** provided van service (66.7% in 2009);

**55.3%** provided motorcycle taxi service (53.9% in 2009);













**38%** provided public city bus service (36.3% in 2009);

**11.5%** provided public boat service (11.3% in 2009);

**2.5%** provided public train service (3% in 2009);

**0.3%** provided subway services, the same percentage as in 2009.

### CULTURAL FACILITIES AVAILABLE TO THE PUBLIC IN THE MUNICIPALITIES SURVEYED SHOW THE FOLLOWING PERCENTAGE DISTRIBUTION:

-  **97%** - public library;
-  **89.4%** - stadium or gymnasium;
-  **80.7%** - cybercafé;
-  **59.3%** - community radio station;
-  **57.4%** - ISP;
-  **39.5%** - Higher Education unit;
-  **38.3%** - FM radio station;
-  **33.9%** - cultural center;
-  **25.2%** - bookstore;
-  **25%** - museum;
-  **22.4%** - playhouse;
-  **10.7%** - movie theater.

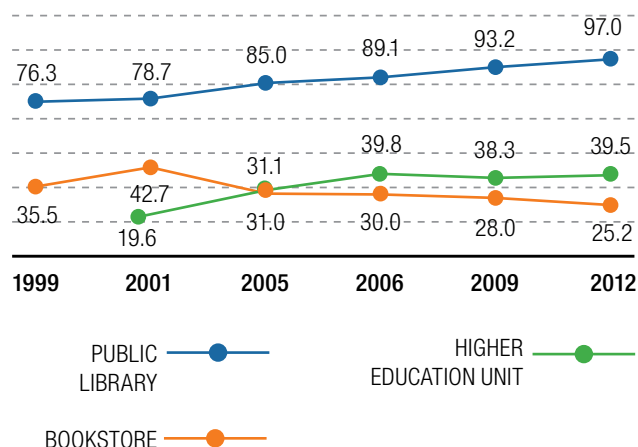
## CULTURE

The existence and operation of Culture Councils enable civil society participation in the development and monitoring of policies. In 2012, 32.3% of municipalities had such Councils in place:

- 97.4% of the municipalities with population over 500,000 had a council.
- 48% of the municipalities in the Southeast and Central-West regions had a council.
- 24.2% of the councils had held a meeting in the previous 12 months.

In addition, 31.2% of municipalities had cultural heritage protection legislation (17.7% in 2006); 29.9% had material heritage protection legislation (17.1% in 2006); and 9.8% had legislation to protect their non-material heritage (2.5% in 2006).

### PERCENTAGE OF MUNICIPALITIES WITH PUBLIC LIBRARY, HIGHER EDUCATION UNIT AND BOOKSTORE FACILITIES - BRAZIL – 1999/2012





## SOCIAL ASSISTANCE

The Unified Social Assistance System (*Sistema Único de Assistência Social* - SUAS) is organized in a decentralized manner, with local policy management in all municipalities. 72.6% of the cities had an exclusive Municipal Social Assistance Secretariat (59% in 2005); in 21.1% of the municipalities, the Secretariat was either shared or linked to other policy areas; in 6.2% the social assistance management body was linked to another Secretariat or to the Executive branch; and in 0.1% it was a public foundation. Within the municipalities, 83.8% of the social assistance managers were women and 66.4% had a university degree.

- In 2012, 99.3% of municipalities had a Municipal Social Assistance Council.
- 97.4% of municipalities had a Municipal Social Assistance Fund.
- 99.3% of municipalities provided social assistance

services, compared to 98.6% in 2009. All municipalities with population over 50,000 are in this group.

## FOOD AND NUTRITION SECURITY

In 2012, 39.3% of municipalities had an organizational structure responsible for the food and nutrition security policy:

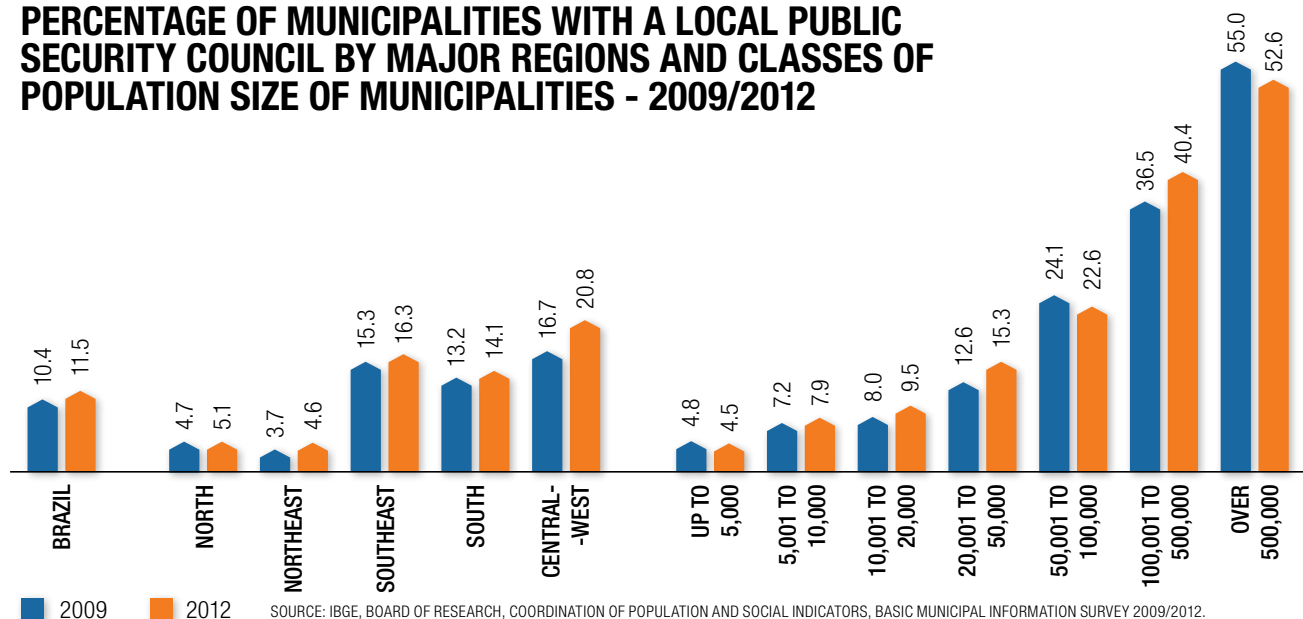
- 27.1% had a Municipal Council on Food and Nutrition Security.
- 17.7% had a Municipal Food and Nutrition Security Plan.

## SECURITY AND JUSTICE

In 2012, 11.5% of municipalities had a Municipal Security Council (10.4% in 2009) and 99.3% had a Guardianship Council (98.3% in 2009).

The Municipal Guard was organized in 17.8% of municipalities (15.5% in 2009) and the percentage of municipalities with a Civil Defense unit reached 66.3% (59.3% in 2009). A fire brigade was found in 15.9% of municipalities (14.2% in 2009).

## PERCENTAGE OF MUNICIPALITIES WITH A LOCAL PUBLIC SECURITY COUNCIL BY MAJOR REGIONS AND CLASSES OF POPULATION SIZE OF MUNICIPALITIES - 2009/2012



## ENVIRONMENT

In 2012, 88.5% of municipalities had an agency responsible for addressing environmental issues, of which 55.4% had specific environmental legislation (42.5% in 2002). The Municipal Council on Environmental Defense was established in 63.7% of cities (56.3% in 2009), and 37.2% had a Municipal Environmental Fund (29.6% in 2009).

- Of the municipalities where the Fund had been established, 37.3% reported having funded environmental

actions and projects in the 12 months prior to the survey.

The existence of a Contingency or Emergency Plan for environmental disasters was reported by 11.8% of the municipalities, and 67.4% of them participated in the Watershed Committee (61.1% in 2009).

24.4% of municipalities reported having areas intended for nature conservation within their boundaries, against 17.1% in 2002.

# Inflation under control and fiscal soundness

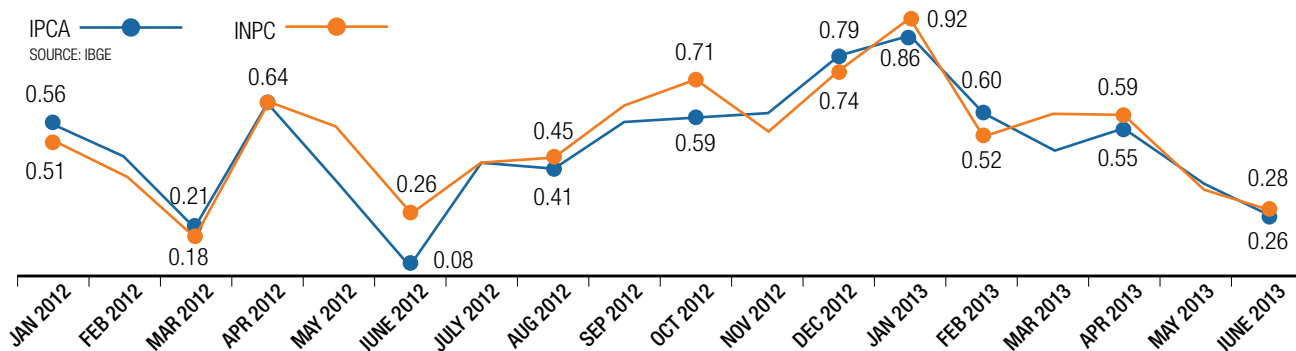
Price indexes show a downward trend and the maintenance of primary surpluses contributes to reduce the national debt

## PRICING TRENDS

Price indexes featured a downward trend throughout the first half of 2013. The National Extended Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo* - IPCA) showed a variation of 0.26% in June, after having reached 0.86% in January 2013.

The National Consumer Price Index (*Índice Nacional de Preços ao Consumidor* - INPC), in turn, recorded a 0.28% variation in June, after having reached 0.92% in January 2013. On a year-to-date basis, both indices stood at 3.15% and 3.30% respectively in 2013.

## MONTHLY EVOLUTION OF THE NATIONAL EXTENDED CONSUMER PRICE INDEX (IPCA) AND OF THE NATIONAL CONSUMER PRICE INDEX (INPC) – JANUARY 2012 - JUNE 2013



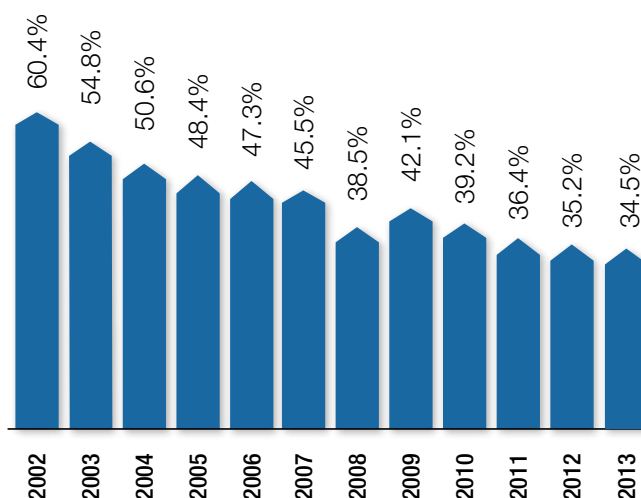
## FISCAL SOUNDNESS

The primary surplus of the consolidated public sector (Central Government, regional governments and state enterprises) reached R\$ 52.2 billion in the first half of 2013, accounting for 2.25% of the Gross Domestic Product (GDP). As for the Central Government surplus – which includes, besides the Federal Government, the Central Bank and the National Institute of Social Security (*Instituto Nacional do Seguro Social* - INSS) – it totaled R\$ 33.7 billion (1.46% of GDP).

The maintenance of successive primary surpluses has enabled a steady reduction in public debt. In June 2013, the public sector net debt accounted for 34.5% of GDP.

The increased fiscal soundness of the Brazilian State is confirmed also by the fact that the three largest groups of Central Government spending – social security, personnel and public debt interest – remain under control. The most important is that in 2013 all of them should reach levels below those of the previous years.

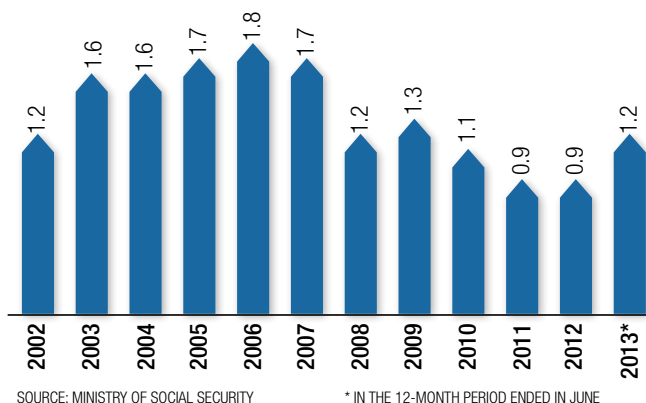
## PUBLIC SECTOR NET DEBT (% OF GDP) – 2002 - 2013



SOURCE: CENTRAL BANK OF BRAZIL AND MINISTRY OF FINANCE

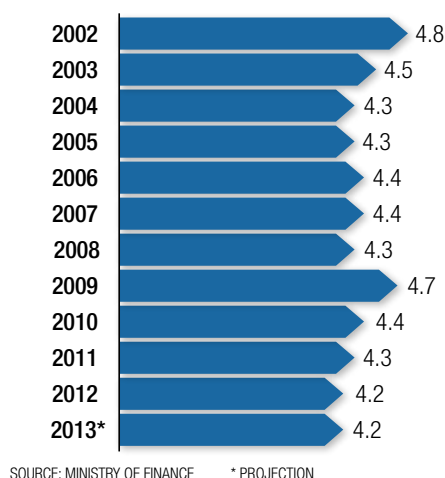
In recent years, the funding needs of the General Social Security Regime has remained at a level below that of the past decade. In June 2013, it accounted for 1.2% of GDP.

### FUNDING NEEDS OF SOCIAL SECURITY (% OF GDP) - 2002 - 2013



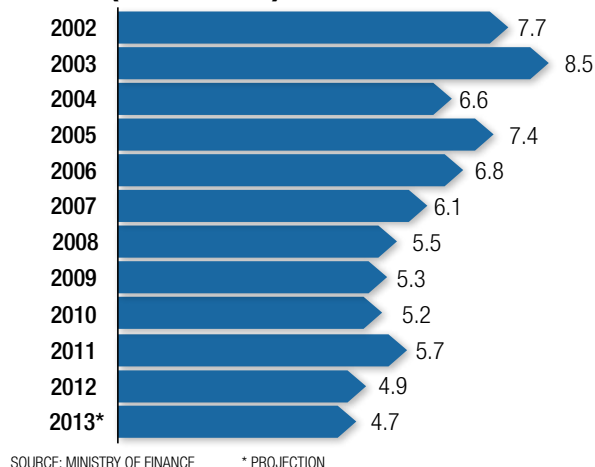
In the period from January to May 2013, expenditures on personnel and social charges accounted for 4.2% of GDP. Compared to 2002, these expenditures should decrease by 0.6 percentage points (pp) as proportion of GDP in 2013.

### EXPENDITURES ON PERSONNEL AND SOCIAL CHARGES (% OF GDP) - 2002 - 2013



In 2013, net interest payments on the public debt should reach the lowest level in recent years, standing at 4.7% of GDP.

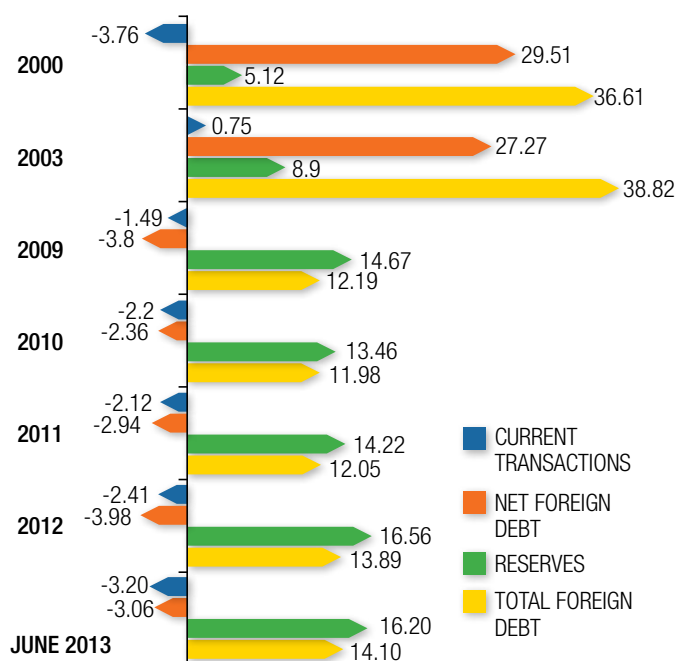
### INTEREST PAYMENTS ON THE PUBLIC DEBT (% OF GDP) - 2002 - 2013



### EXTERNAL SECTOR

The main external vulnerability indicators have shown consistent improvements in recent years. In 2000, while the total external debt represented 36.6% of GDP, foreign reserves amounted to 5.1% of GDP. In June 2013, the total external debt fell to 14.1% of GDP, while foreign reserves increased to 16.2% of GDP. In turn, the net foreign debt as a proportion of GDP fell from 29.5% in 2000 to 3.1% in June 2013.

### EXTERNAL VULNERABILITY INDICATORS (% OF GDP)



The foreign direct investment (FDI) net inflow in Brazil remains high, totaling US\$ 30 billion year-to-date in June, of which US\$ 19.1 billion refer to increased equity holding in companies, and US\$ 10.9 billion to intercompany loans. FDI reached US\$ 65.6 billion (2.87% of GDP) year on year in June.

## ECONOMIC ACTIVITY AND EMPLOYMENT

In the first quarter of 2013, Gross Domestic Product at market prices rose 0.6% in relation to the previous quarter in the seasonally adjusted series. This result was positively influenced by the performance of the Agricultural Sector, which grew 9.7% in the period. Gross fixed capital formation increased 4.6%, following a 1.3% increase in the last quarter of 2012. In fact, investments have been recovering, indicating an improvement in the growth profile.

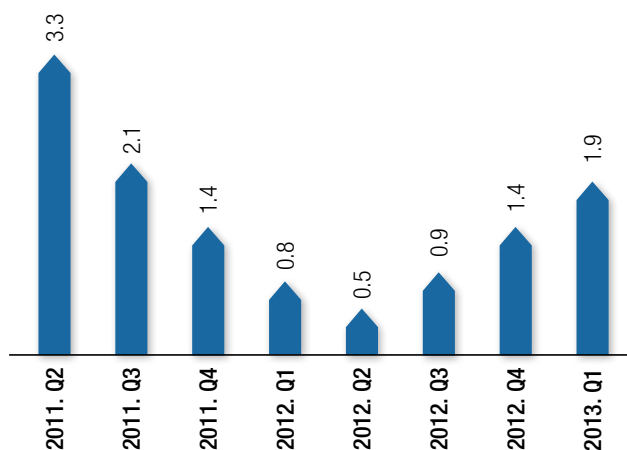
GDP growth in four quarters totals 1.2%. On the supply side, the highlight was agriculture, with a growth of 3.9%.

For 2013, the sixth IBGE estimate for the harvest of cereals, leguminous and oilseeds is 185.7 million tons - 14.7% higher than the record harvest in 2012.

In comparison to the same quarter of the previous year, GDP growth rates have been increasing, reaching 1.9% in the first quarter of 2013.

In the first months of 2013, industrial production alternated positive and negative results, with a 1.7% growth year-to-date in May.

## GDP VARIATION FROM THE SECOND QUARTER OF 2011 TO THE FIRST QUARTER OF 2013 - %



SOURCE: IBGE

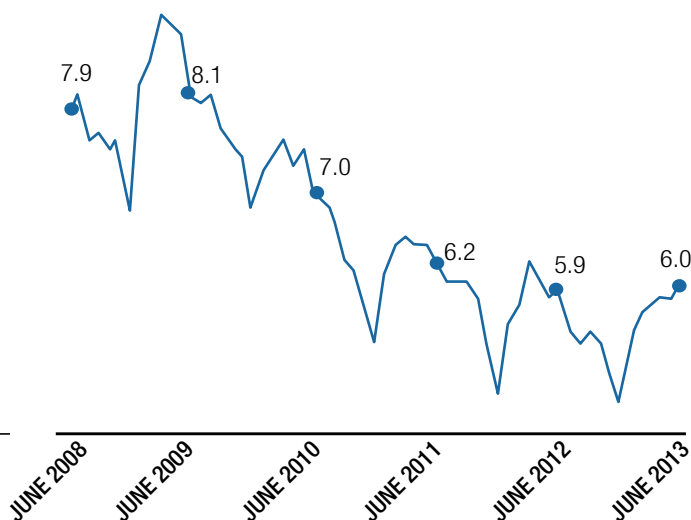
Special mention should be made of the capital goods sector, which recorded a growth of 13.3% during the year and of 12.5% over the same month of 2012.

Retail sales continue to grow, with a 6.1% increase during the 12-month period ended in May. Extended retail sales also show an upward trend, with a 7.6% increase over the same period.

The labor market continues to boast strong results, with the continuous creation of formal jobs and an increase in the real income of workers. In the first half of 2013, 826,200 formal jobs were created, up 2.1% compared to December 2012. Between January 2011 and June 2013, 4.4 million jobs were created, an increase of 10.1% during the period.

The unemployment rate as measured by the IBGE in the six metropolitan areas surveyed remains at low levels. The 6.0% rate recorded in June is close to that observed in the same period of 2012. The formalization of the labor market continues to show an upward trend. In June, the number of workers with a formal contract increased 3.2% compared to June 2012, while the number of unregistered workers fell 9.9% in the same comparison basis. The average real income of workers increased 0.8% over the same month of the previous year.

## EVOLUTION OF UNEMPLOYMENT RATE IN SIX METROPOLITAN AREAS JUNE 2008 – JUNE 2013



SOURCE: PME/IBGE.

NOTE: THE SIX METROPOLITAN AREAS SURVEYED ARE BELO HORIZONTE, PORTO ALEGRE, RIO DE JANEIRO, RECIFE, SALVADOR AND SÃO PAULO.

# Management Highlights



# Brazil without Extreme Poverty: two years of benefits for the extremely poor

Crossing the milestone of half a million beneficiaries of Brazil without Extreme Poverty (*Brasil sem Miséria*) in professional qualification courses under Pronatec

## GUARANTEED INCOME

Since the inception of the Brazil without Extreme Poverty Plan in June 2011, 22 million people have been lifted out of extreme poverty in terms of income.

The Family Grant Program has been improved with the inclusion of pregnant and nursing women as beneficiaries; with the increase from three to five in the limit of variable benefits received by children up to 15 years old, pregnant and nursing women; and with the establishment of the benefit to overcome extreme poverty.

As a result, all families enrolled in the Unified Register are now guaranteed a household income per capita

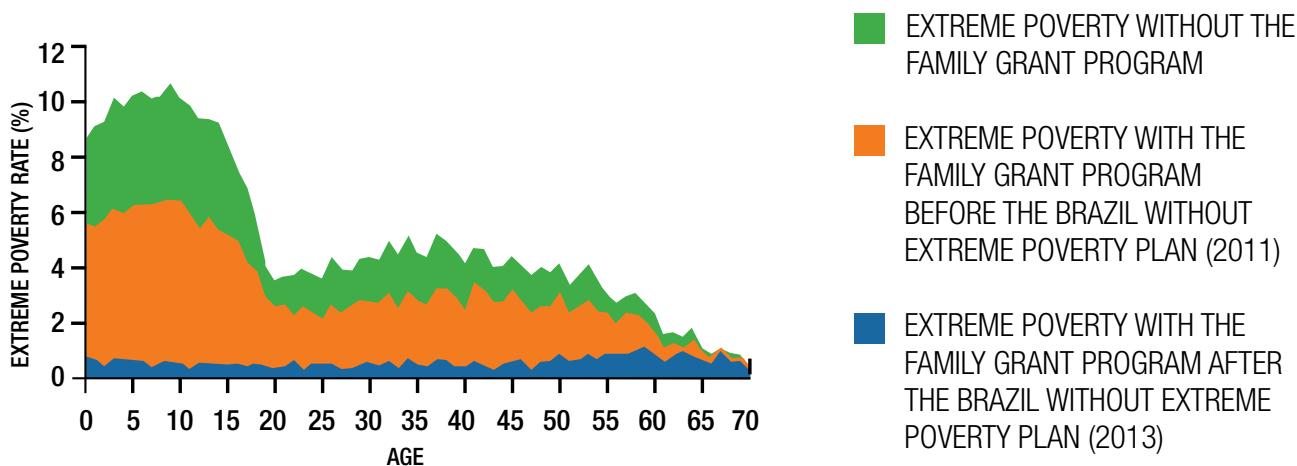
above R\$ 70 per month, in addition to special assistance to children and adolescents.

## Active Search (*Busca Ativa*)

One of the big challenges of Brazil without Extreme Poverty is locating families in extreme poverty who are still out of the social safety net. To that end, the Active Search strategy was designed, which until May 2013 had already secured the enrolment and inclusion of 895,200 extremely poor families in the Family Grant program.

By 2014, the goal is to ensure the enrolment and inclusion of another 604,800 families in the Family Grant Program, totaling 1.5 million families served by the program.

## EXTREME POVERTY RATE BY AGE GROUP



SOURCE: BOARD OF STUDIES AND SOCIAL POLICIES (DISOC)/IPEA, PREPARED FROM THE IBGE/PNAD 2011



## CARING BRAZIL (BRASIL CARINHOSO)

In June 2013, about 4.8 million families with children 0-6 years old were benefited by cash transfers totaling R\$ 410.4 million. As a result of this initiative launched in May 2012, the reduction of extreme poverty among children 0-6 years of age has reached 62%.

**Pregnant and nursing women:** in June 2013, 146,700 pregnant women received the Family Grant variable benefit, conditional upon seeking proper prenatal care. The benefit was also granted to 124,900 nursing women, thus ensuring better nutrition and health conditions to mothers and newborns. During the month, 52,900 pregnant women were assisted by local primary care teams. A total of 176,700 pregnant women received prenatal care from January to June 2013.

**Iron supplementation:** by May 2013, 1.4 million children 6-24 months of age had been treated with the supplement.

**Vitamin A supplementation:** by July 17, 2013, approximately 1.9 million children aged 6 months to 5 years had

received a megadose of vitamin A. In the Northeast, 1.3 million doses were administered during the same period.

## URBAN PRODUCTIVE INCLUSION

**Brazil without Extreme Poverty Pronatec (National Program for Access to Technical Education and Employment):** by July 19, 2013, a total of 571,500 low-income people had enrolled in 481 technical and professional education courses in 1,690 municipalities. The goal is to reach one million enrollments by 2014.

MORE THAN HALF A MILLION  
BENEFICIARIES OF THE BRAZIL  
WITHOUT EXTREME POVERTY  
PLAN ARE ENROLLED IN  
COURSES UNDER PRONATEC



GEYSON MAGNO

## STRENGTHENING AND EXPANSION OF SOLIDARITY ECONOMY AS AN EMANCIPATION STRATEGY

More than 7,800 solidarity economy projects have benefited from integrated actions that promote professional training, technical assistance, incubation of solidarity enterprises and support for cooperation networks, including the sales of products and services. Altogether, 157,200 people in 1,500 municipalities have benefited from these actions.

Other measures also include fostering the organization of cooperatives and cooperation networks for recyclable waste pickers. By May 2013, some 39,900 waste pickers working with solid waste had benefited from actions covering training, incubation, technical assistance and support infrastructure.



**7,822 enterprises benefited**

	389 ENTERPRISES
	14,177 PERSONS BENEFITED
	2,406 ENTERPRISES
	27,499 PERSONS BENEFITED
	1,691 ENTERPRISES
	44,383 PERSONS BENEFITED
	2,423 ENTERPRISES
	39,580 PERSONS BENEFITED
	913 ENTERPRISES
	31,532 PERSONS BENEFITED

SOURCE: MTE, MAY 2013

## RURAL PRODUCTIVE INCLUSION

**Water for All (Água para Todos):** From 2011 to June 2013, 339,100 cisterns were delivered to families in the semi-arid region, with the aim of ensuring universal access to water for human consumption. Until June 2013, 14,600 production cisterns and other social technologies such as small dams, stone tanks, water pits and erosion containment systems among others.

**Technical Assistance and Stimulus to Production (Assistência Técnica e Fomento):** By June of this year, 29,300 low-income family farmers had their productive infrastructure projects completed and were receiving incentive funds. Productive projects are focused on small livestock raising, cattle breeding and horticulture.

**Food Acquisition Program (Programa de Aquisição de Alimentos - PAA):** to expand sales channels for the production of low-income family farmers, the limit for the purchase of family agriculture products has been increased to up to R\$ 8,000, in cases where at least 50% of suppliers are included in the Unified Registry. The measure will come into force in July 2013.

**Green Grant (Bolsa Verde):** by June 2013, the benefit had been paid to 40,800 families engaged in extractive activities as well as settled and riverine families, so that they will continue to produce and conserve the environment, covering 23 states and five biomes.

SINCE 2011 THE PARTICIPATION OF LOW-INCOME FAMILIES INCLUDED IN THE UNIFIED REGISTRY THAT SELL THEIR PRODUCTS TO THE FOOD ACQUISITION PROGRAM HAS INCREASED, REACHING 120,000 FAMILIES OR 46% OF TOTAL PAA SUPPLIERS

### ACCESS TO SERVICES

**Education:** the number of schools that have joined the More Education (*Mais Educação*) Program, which promotes full-time education, increased 54% from 32,000 schools in 2012 to 49,300 schools in 2013. In 65% of these schools, more than half of the students are Family Grant beneficiaries.

**Health:** since 2011, 757 new Basic Health Units (*Unidades Básicas de Saúde*) have been built in poor regions. During the period, coverage by Family Health Teams also increased in priority municipalities, benefiting more than 3.3 million people.



TAMIRES KOPP

## FAMILY GRANT HAS IMPACTS ON EDUCATION AND CONTRIBUTES TO THE REDUCTION OF CHILD MORTALITY RATES



### EDUCATION (2008 - 2010)

SCHOOL PERFORMANCE IS HIGHER THAN OR EQUAL TO THE NATIONAL PUBLIC SCHOOL AVERAGE AMONG STUDENTS WHO ARE FAMILY GRANT BENEFICIARIES. DROPOUT RATES ARE ALSO LOWER AMONG THESE STUDENTS.

#### → SECONDARY EDUCATION:

Pass rate: **80%**  
(national average: 75%)

Dropout rate: **7%**  
(national average: 11%)

#### → PRIMARY EDUCATION:

Pass rate in 2011: **84%**  
(Dropout rate: 86%)

Dropout rate: **2.9%**  
(national average: 3.2%)



### HEALTH (2004 - 2009)

INCREASED FAMILY GRANT COVERAGE COUPLED WITH THE FAMILY HEALTH PROGRAM REDUCES INFANT MORTALITY RATES (0 TO 5 YEARS)

↓ **19.4%**  
Infant mortality

Further reduction of mortality from poverty-related causes

↓ **46%**  
Mortality from diarrhea

↓ **58%**  
Mortality due to malnutrition

# Growth Acceleration Program boasts positive results

55% of the works planned by 2014 completed

In April 2013, the financial implementation of PAC2 reached investments worth R\$ 557.4 billion in works that improve logistics, social and urban infrastructure across the country.

Since the inception of PAC in 2007, public investment has grown 111% in real terms. As a result, the share of public investment in GDP increased from 2.9% to 4.4% in 2012.

## WORKS COMPLETED

PAC2 projects completed by April 2013 account for 54.9% of the total planned for 2014. The overall amount of works completed reached R\$ 388.7 billion, up 18.4% against December 2012. The highlights include:

**Highways:** 1,889 km built, paved, restored or duplicated. Stretches of BR 101/NE were completed in the states of Alagoas, Pernambuco, Paraíba, Rio Grande do Norte and Sergipe.

**Railways:** 555 km built or restored.

**Ports:** 16 projects completed, including the restoration, extension and expansion of the commercial wharf of the Port of Vitória (Espírito Santo).

**Airports:** 19 projects completed. Five projects completed in regional aviation, with an emphasis on the rehabilitation of the Altamira (Pará) and Carajás (Pará) runways.

**Equipment for local roads:** 4,283 machines delivered by June 2013, including 1,440 backhoes and 1,021 bulldozers, which benefited 1,440 cities in the semiarid region or in state of emergency due to the drought.

**Electricity generation:** 8,457 MW added to the system, with an emphasis on HPP Santo Antônio (3,150 MW), currently in operation with 13 generating units (908 MW).

**Electricity transmission:** 5,256 km of transmission lines and 25 substations put into operation.

**Oil and gas exploration and production:** 329 exploratory wells drilled and six large platforms put into operation – Mexilhão Platform (PMXL-1), P-56, Itajaí FPSO, Anchieta FPSO, São Paulo FPSO and Paraty FPSO.

**Refining and petrochemical industry:** 191 kilometers of pipelines completed, Caraguatatuba GTU and the production unit of ARLA 32 in FAFEN-BA.

- Eight refineries modernized and provided with new fuel conversion and quality standards.

**Fertilizers and natural gas:** seven projects.

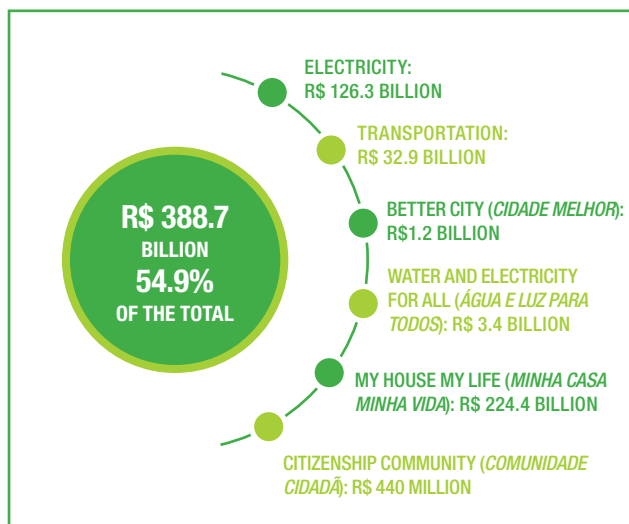
**Shipbuilding industry:** one drilling rig built and financing contracted for 363 vessels and 16 shipyards.

**My House My Life II (Minha Casa Minha Vida II) Program:** 1,575,469 units commissioned.

**Housing finance:** 1,031,990 contracts.

**Urbanization of precarious settlements:** 1,163 projects.

**Water resources:** 22 projects, 48 sewage systems and 196 locations with supply systems.





**Water in urban areas:** 540 projects in 468 municipalities, benefiting 4.2 million people.

**Electricity for All (*Luz para Todos*):** 390,308 connections provided, 150,000 of them in priority areas of the Brazil without Extreme Poverty Plan - 58% of the 2011–2014 target achieved.

**Sanitation:** 618 projects completed.

**Prevention in risk areas: drainage** – 42 projects; **slope containment** – seven projects.

**Urban mobility:** two projects [upgrading the West Line of the Fortaleza (Ceará) subway system and the Calçada-Paripe suburban train system in Salvador (Bahia)].

**Paving:** eight projects.

445 **UPA and UBS** built.

153 **sports courts** built.

60 **daycare centers and preschools** built.

**Unified Arts and Sports Centers:** two projects in Toledo and Pato Branco, state of Paraná.

## SHIPBUILDING INDUSTRY

Major works for national shipyards:

- Five large ships built under the Fleet Modernization and Expansion Program (*Programa de Modernização e Expansão da Frota - PROMEF*), including the tanker Zumbi dos Palmares, in addition to progress in the construction of another nine ships.
- Eighteen vessels and two shipyards financed by the Merchant Marine Fund completed; 51 projects under construction; and contracts signed for 308 projects.
- Contracts signed for the construction of 28 drilling rigs; three of them are already under construction.
- Contracts signed for the conversion of four platforms into onerous assignment; three of them are already under construction.
- Contracts signed for the construction of modules and integration of 10 FPSO for the pre-salt and onerous assignment.
- Affreightment contracts signed for five platforms for operation in pre-salt areas.

## WORKS IN PROGRESS

### Transportation



**Highways:** 7,287 km of highway duplication, construction, adaptation and paving works in all regions of the country.

**Railways:** 2,576 km of works in progress. The highlights include:

- North-South Railway – Southern Section: Palmas (Tocantins)-Uruaçu (Goiás): 89% completed; Uruaçu (Goiás)-Anápolis (Goiás): 87% completed; Anápolis (Goiás)-Estrela d'Oeste (São Paulo): 33% completed.
- Nova Transnordestina Railway: 40% completed.
- East-West Integration Railway - Ilhéus-Caetité (Bahia) Section: 16% completed.
- Ferronorte - Itiquira (Mato Grosso) - Rondonópolis (Mato Grosso): 99% completed.

**Ports:** 17 projects in progress in 12 ports. The highlights include:

- Dredging to deepen the outer channel of the Port of Vitória (Espírito Santo).
- Implementation of Perimetral Avenue - Left Bank (first phase) of the Port of Santos (São Paulo).

**Airports:** 23 projects in progress in 15 airports. The highlights include:

- Galeão (Rio de Janeiro) - runways and yards: 67.3% completed.
- Manaus (Amazonas) - Passenger Terminal: 66.4% completed.
- Foz do Iguaçu (Paraná) - Passenger Terminal: 68.3% completed.
- Belo Horizonte (Minas Gerais) - Passenger Terminal: 24.6% completed.
- Works started in four airports - expansion of Terminals in Curitiba (Paraná) and Salvador (Bahia) and of yards in Confins (Minas Gerais) and Porto Alegre (Rio Grande do Sul).
- Regional aviation - works in progress in 13 airports.

### Energy



**Electricity generation:** works are in progress to generate 24,207 MW - nine hydroelectric plants, 11 thermal plants, 99 wind farms and five small hydroelectric plants. The highlights include:

- Belo Monte HPP (11,233 MW): 27% completed.
- Jirau HPP (3,750 MW): 89% completed.
- Teles Pires HPP (1,820 MW): 48% completed.

**Electricity transmission:** 33 transmission lines are being laid, covering 10,704 km.

- The Madeira-Porto Velho-Araraquara Interconnection - Circuit 1 - GO / MG / MT / RO / SP is 2375 km long, of which 99% have been completed.

**Refining, petrochemicals and fertilizers:** progress in the works of COMPERJ (53%) and Abreu e Lima Refinery (75%).

## Sanitation



By April 2013, 4,703 sanitation works were in progress, which will benefit 8.8 million families.

## Risk prevention



There are 261 drainage and slope retention projects in progress, which will benefit 3.5 million families.

## Urban mobility



PAC Mobility has selected projects that will benefit more than 100 municipalities.

In the area of Medium City Mobility, 63 projects have been selected, which will benefit 59 municipalities with population 250,000 to 700,000. Investments total R\$ 8.6 billion.

Works are in progress in Belo Horizonte, Belém, Brasília, Cuiabá, Curitiba, Fortaleza, Manaus, Porto Alegre, Recife, Rio de Janeiro, Salvador and São Paulo for 15 Bus Rapid Transit (BRT), 13 corridors, two monorails, four subways, two Light Rail Vehicles (LRV), one urban train, one airmobile and one river corridor.

Special mention should be made of the Recife Subway System, which began to operate the Cosme e Damião Station on May 22, and to which ten Electric Train Units (ETU) and the eight LRV have been delivered.



BLOG DO PLANALTO

Fortaleza (Ceará) subway

## Paving



Currently, 142 construction projects are in progress in 120 municipalities. Altogether, 471 new projects have been selected in 331 municipalities, totaling R\$ 8.7 billion.

## Social infrastructure



**Daycare centers and preschools:** 3,123 commissioned, with 1,486 under construction.

**School courts:** 4,574 commissioned, with 926 under construction.

**Emergency Care Units (*Unidades de Pronto Atendimento - UPA*):** 269 commissioned, with 65 under construction.

**Basic Health Units (*Unidades Básicas de Saúde - UBS*):** 7,557 commissioned, with 2,140 under construction.

**Unified Arts and Sports Center (*Centro de Artes e Esporte Unificados - CEU*):** 360 commissioned, with 226 under construction.

## Urban development of precarious settlements



In April 2013, 1,250 works for the urban development of precarious settlements were underway, which will benefit 1.4 million families.

## Water in urban areas



Currently 3,012 construction projects are underway to ensure water supply in 468 municipalities, benefiting 7.9 million families.

## Water resources



Investments totaling R\$ 2.7 billion – of which 85% have already been contracted – have been planned to increase protection of the population living in semiarid regions. Examples of important works include:

- 96% of the works of the Piaus System in the state of Piauí have been completed, with investments totaling R\$ 37.5 million. The works are expected to be fully completed by August 2013.
- 85% of the works of Phase 1 of the Pajeú Duct in the state of Pernambuco have been completed and it is scheduled to be fully delivered by September 2013. Total investments amount to R\$ 199 million and the 197 km of influent channels should benefit about 180,000 people.



## NEW ANNOUNCEMENTS

A total of R\$ 8.1 billion in new investments were announced between April and June 2013.

Of these, R\$ 2.7 billion were earmarked for the city of Rio de Janeiro and will be invested in the urban development of precarious settlements in the communities of Rocinha and in the Jacarezinho and Lins Complexes.

In the state of Rio Grande do Sul, R\$ 2.5 billion will be invested in the extension of BR-448 and BR-392, in addition to improvements in BR-116.

The state of Pernambuco will receive R\$ 2.3 billion to be invested in the following projects: Arco Metropolitano; São Caetano-Garanhuns section of BR-423; Port of Suape; navigation on the Capibaribe river; and contour of Recife/BR-101.

Finally, R\$ 629.3 million will be invested in the state of Ceará for the works of the Lontras Dam and the cable-stayed bridge over the Cocó River.

## NEW SELECTIONS IN PROGRESS:

Sanitation: R\$ 7.2 billion

Paving: R\$ 5 billion

Water in urban areas: R\$ 4.8 billion

## LAUNCH OF CIER-BIOGÁS

The project for the International Center of Renewable Energy - Biogás (*Centro Internacional de Energías Renováveis* – Biogás - CIER-Biogás) was officially launched in March 2013. An initiative of the Itaipu Technological Park, the Center counts on the support of the United Nations Industrial Development Organization (UNIDO).











The initiative involves the construction of biogas thermoelectric micro-plants based on a technology that uses organic waste from large and small farms located on the banks of the dam. It also enables participating properties to achieve energy self-sufficiency, remunerates landowners and removes waste from the environment, drastically reducing dependence on imported products for farming.

## INVESTMENT IN URBAN MOBILITY

In order to improve the quality of life of millions of Brazilians living in medium and large cities, the Federal Government has been working in partnership with states and municipalities, which are responsible for managing urban transport. A total of R\$ 88.9 billion are being invested in urban mobility projects, of which 55% are provided by the Central Government.

The 192 projects in progress will benefit 100 cities. These projects include PAC works, works financed by BNDES and Pro-Transport, as well as works that will improve the mobility of cities for Major Sporting Events.

In total, 2,879 km of means for urban public transportation are being built, expanded or recovered:

MODAL	EXTENSION (KM)
Bus Corridor 	1,536
BRT 	567
Subway 	259
LRV 	171
Urban road 	138
Arena surroundings 	71
Monorail 	53
Urban train 	45
Airmobile 	28
River corridor 	11
<b>TOTAL</b>	<b>2,879</b>

# Guaranteeing citizenship and expanding rights

Dialogue and participation to bring public policy closer to social demands

## LIVING WITHOUT LIMIT (VIVER SEM LIMITE) PLAN

The National Plan on the Rights of Persons with Disabilities - Living without Limit ensures increased access by and quality care for people with disabilities.

By June 2013, R\$ 1.74 billion had been invested in strategic actions in the fields of health, education, social inclusion and accessibility.

### Health Care

**Specialized Rehabilitation Centers (Centros Especializados em Reabilitação - CER):** agreements have been signed for the construction of 22 new centers, the renovation and expansion of nine existing centers, and the acquisition of equipment for two centers, totaling 33 centers under construction or improvement.



O EMBUENSE

**Dental care:** 346 Dental Specialties Centers (*Centros de Especialidades Odontológicas* - CEO) have received financial incentive to improve patient care.

**Neonatal screening:** funds have been disbursed for the acquisition of equipment for 81 maternity hospitals. In 22 states new tests were included in neonatal screening

(Guthrie test), which are already offered by the Unified Health System (SUS) in all states. The tests are scaled according to the capacity of the laboratories, the hiring of professionals for patient follow-up and the structure for treatment.

**Orthopedic workshops:** 18 orthopedic workshops have been qualified at SUS in 18 states. Nine of these workshops are being improved through renovations and the acquisition of equipment. In addition to these, another three workshops are under construction. These workshops produce custom-made orthoses and provide prosthesis adjustments according to the needs of each user.

**Orthoses and prostheses:** more than seven procedures for the maintenance and adaptation of orthoses, prostheses and mobility aids and eight procedures for postural adaptation in wheelchairs are now being paid by SUS.

**Wheelchairs:** six new wheelchair models (monoblock, motorized, for people over 90 kilos, pediatric bath, with reclining backrest, with rim propulsion) are now being distributed by SUS.

**FM system:** a hearing device is now being provided to primary and secondary school hearing-impaired children 5-17 years old. The accessory, which is coupled to the hearing aid, eliminates excess noise.

**Adapted transport:** 18 adapted micro-buses have been donated to eligible CER in 16 states. By the end of 2013, an additional 90 vehicles will be delivered across the country.

**Guidelines on care for persons with disabilities:** six guidelines on care for persons with disabilities have been published to guide and train multidisciplinary SUS teams.

The digital versions of the guidelines are available at: [www.saude.gov.br/pessoacomdeficiencia](http://www.saude.gov.br/pessoacomdeficiencia).



## Access to Education

### Establishment of multifunctional resource rooms:

13,500 rooms have been established for the provision of specialized care and to complement the education of students with disabilities.

**Accessible school:** 21,288 schools have received funds for architectural accessibility adaptations.



School Professor Ricardo Vitiello, in Capão Redondo, São Paulo (SP) received the first Accessibility Seal.

**Accessibility in Higher Education:** 55 universities have received funds for institutional actions to eliminate physical barriers.

**Professional and technological education:** 3,200 persons with disabilities have enrolled in Pronatec courses.

## Accessibility

### My House My Life (*Minha Casa Minha Vida*) Program:

531,000 adaptable units have been commissioned. Of these, 8,381 adapted dwellings have received kits specifically tailored to the type of disability.

**Microcredit:** R\$ 47.8 million have been contracted in 8,600 operations for the acquisition of goods and services (wheelchairs, Braille printers, vehicle adaptations, walkers and accessible furniture).

## RURAL SOCIAL MOVEMENTS

In May 2013, in response to the requests of rural social movements, new services, programs and policies were announced, such as: development of the Agroecology and Organic Production Plan (*Plano de Agroecologia e Produção Orgânica - Planapo*); establishment of 54 mobile units for combating violence against rural and forest women; hiring of 585 professors for federal universities to teach rural education undergraduate courses; and construction of 416 rural schools, in addition to 426 early childhood education units in 96 territories of citizenship. Also announced were the establishment of five health care centers in rural areas; Sebrae's support for the training of young family farmers in the areas of entrepreneurship and management; and completion of a program to strengthen the autonomy of the rural youth with a focus on training, income generation and increased access to rights and public policy.

## AMAZON FUND

A partnership was established between the Amazon Fund and civil society organizations for the implementation of 18 projects in eight states in the Amazon biome, during the Government and Civil Society Dialogues: Amazon Fund. The 18 projects cover the following states: Acre, Amapá, Amazonas, Pará, Rondônia, Roraima, Mato Grosso and Tocantins. They involve management of protected forest areas and reduction of greenhouse gas emissions in more than ten productive activities.

The projects are included in the partnership between the National Economic and Social Development Bank (*Banco Nacional de Desenvolvimento Econômico e Social - BNDES*) and the Banco do Brasil Foundation, which will contribute R\$ 100 million within five years. In the first

year of the partnership R\$ 25 million will be invested in sustainable actions focused on employment and income generation and replication of social technologies, with respect for local cultures and environmental preservation.

Since July 2009 the Fund has approved 39 projects, totaling more than R\$ 500 million.

## CITIZENSHIP WITHIN RURAL AREAS

One million rural women have benefited from the collaborative efforts of the National Program for Documents of Female Rural Workers (*Programa Nacional de Documentação da Trabalhadora Rural - PNDTR*). The initiative enables the female farmers still deprived of civil and working documents to regularize their situation free of charge. Created nine years ago, the program has already issued more than two million documents to one million women in almost 4,500 municipalities.

## GUARDIANSHIP COUNCILS

By June, 431 sets of equipment including one car, five computers, one multifunction printer, one refrigerator and one water fountain had been distributed. The action aims to ensure guardianship councils adequate working conditions. By the end of 2013, another 569 councils will receive the set of equipment.

## CONSUMPTION AND CITIZENSHIP

### Advances in mechanisms to guarantee consumer rights

The National Consumption and Citizenship Plan (*Plano Nacional de Consumo e Cidadania - Plandec*) launched in March expands protection mechanisms and strengthens oversight in buyer-seller relationships. The package of measures turns consumer defense actions into State policy.

### Strengthening of Procon

Bill No. 5196 that was sent to Congress defines as prerogatives of Procon to determine corrective measures such as: refund of unauthorized charges; product replacement or repair; and appropriate supply of information.

It also provides for the conversion of agreements

concluded at Procon into debt instruments, without the consumer having to go to court, thereby reducing the number of disputes referred to the courts.

## E-commerce

Decree 7962/2013 enhances the right to information in online shopping, establishes rules for consumer services and defines mechanisms for enjoying the right of repentance.

The regulation also specifies that e-commerce companies are subject to the same penalties applicable to brick and mortar shops.

## DOMESTIC WORKER

Enacted in April 2013, Constitutional Amendment 72/2013 (PEC 66/2012) ensures domestic workers all the rights already enjoyed by other urban and rural workers, such as pre-defined workload, with a limit of 8 hours per day and 44 hours per week and overtime.

### Domestic Employer Portal

In June, the Federal Government put into operation the e-Social Portal – Domestic Employer Module. The new portal provides features that enable domestic employers to comply, in a simple and agile manner, with labor duties and rules such as:

- Paycheck generation; proof of salary; payroll; vacation notice; and timesheet control;
- Overtime control;
- Calculation of amounts to be collected (Social Security and vacation);
- Issuance of receipt of payment of social security contributions.

The portal also allows centralized access to guidelines issued by government agencies.

After regulation of Amendment No. 72/2013 by Congress, all registrations and benefits approved will be incorporated into the portal.

For additional information, please visit [www.esocial.gov.br](http://www.esocial.gov.br) or the websites of the Ministries of Labor and Social Security, the INSS (*National Social Security Institute*), the Federal Savings Bank (*Caixa Econômica Federal*) and the Internal Revenue Service of Brazil.



# New legal framework for the mining sector, oil and gas bids and support for innovation

Actions open up new investment opportunities in the country

## NEW LEGAL FRAMEWORK FOR MINING

The new legal framework for the mining sector, which will replace the Mineral Code, was sent to Congress on June 18th this year through a Bill to be voted on an emergency basis.

The conclusion of concession agreements for exploration and prospecting will be preceded by bids or calls for proposals and create a more transparent and agile environment for investors and companies engaged in mineral exploration.

The measures aim to stimulate investments with greater procedural transparency and opportunities of access to areas with high mining potential. The new regulatory framework requires technical and financial capacity, implementation of a minimum exploratory program and a deadline for commencement of mining operations, among other conditions.

A change in calculation of the Financial Compensation for Exploiting Mineral Resources (*Compensação Financeira pela Exploração de Recursos Minerais* - CFEM) is also planned, to be levied on gross sales revenue net of taxes actually paid. The distribution criteria among federal entities remain unchanged.

The institutional changes proposed include the establishment of the National Mineral Policy Council (*Conselho Nacional de Política Mineral* - NMA), an advisory body to the President in the design of policies and guidelines for the mining sector and of the National Mining Agency, the body responsible for regulating, managing information and inspecting the mineral sector.

For more information please visit: [http://www.mme.gov.br/sgm/menu/Novo\\_Marco\\_da\\_Mineracao.html](http://www.mme.gov.br/sgm/menu/Novo_Marco_da_Mineracao.html)



## OIL AND GAS BIDS

### 11th Bidding round

The 11th Bidding Round for Exploratory Blocks of Oil and Natural Gas was held on May 14th and 15th. A total of 142 blocks were bought in 13 sedimentary basins. The winning companies will pay R\$ 2.8 billion in signature bonuses, with the commitment to invest at least R\$ 6.9 billion in exploration activities.

The average local content offered was 62.32% for the exploration phase and 75.96% for the production development phase.



POLO NAVAL

### Pre-salt bids

The first round of bidding for oil and gas exploration in the pre-salt area in the form of production sharing contracts will be held on October 21. The area to be auctioned will be Libra, in the Santos Basin, with an estimated recoverable volume between 8 and 12 billion barrels, an amount equivalent to approximately 44% to 66% of the current Brazilian reserves.

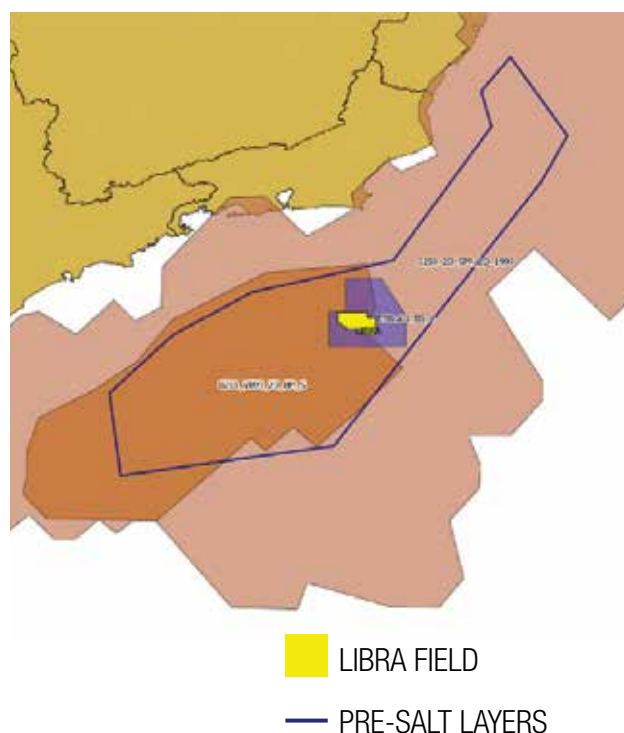
The winning consortium will be the one that offers the Federal Government the highest surplus production.

The National Energy Policy Council (*Conselho Nacional de Política Energética* - CNPE) passed a resolution in June defining the technical and economic parameters for production-sharing contracts: a minimum of 40% of the surplus oil for the Federal Government, 30% participation of Petrobras in the winning consortium, and payment of a R\$15 billion bonus upon signature of the contract.

This bid will be emblematic because it involves low exploratory risk areas and high oil potential, in addition to implementing the recent changes introduced in the legal framework for the sector.

For more information please visit: [www.anp.gov.br](http://www.anp.gov.br)

### OIL EXPLORATION



SOURCE: ANP



## LOGISTICS INVESTMENT PROGRAM – AIRPORTS

### Regional airports

The preliminary survey of the basic features of the 270 regional airports included in the first phase of the Program of Investment in Logistics (*Programa de Investimento em Logística – PIL*) for airports, which provides for investments worth R\$ 7.3 billion, has been completed.

The next steps include studies of investment needs and project development. Commissioning of the works is expected to start in December.

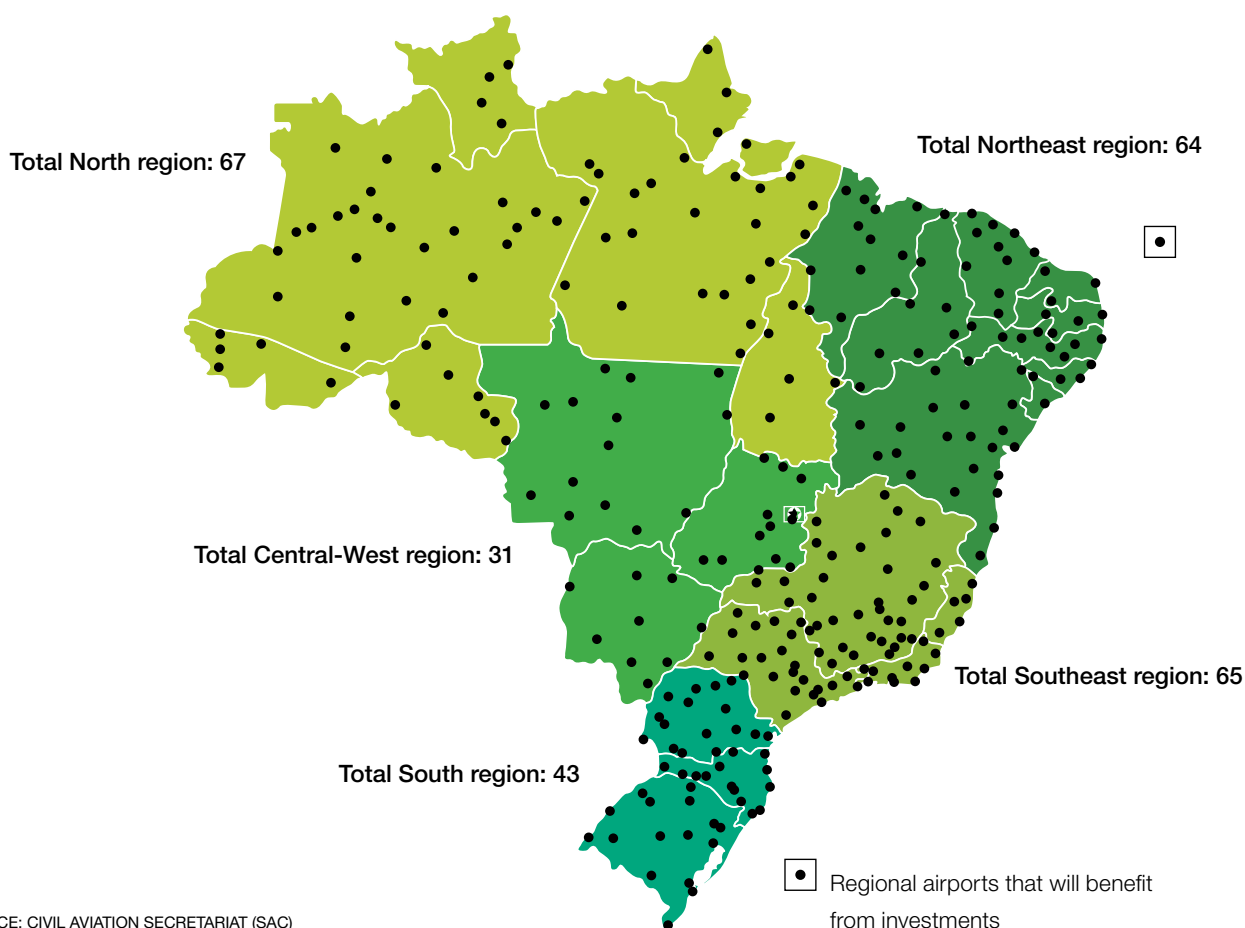
Continuing the process of regularization of concessions for the exploration of regional aviation, since August 2012 the Civil Aviation Secretariat (*Secretaria de Aviação Civil – SAC*) has signed 155 agreements – 107 with states

and 48 with municipalities for funding and management of regional airports.

### Auctions for Confins and Galeão

Studies have been prepared on the technical, economic, financial and environmental feasibility of the Confins (Minas Gerais) and Galeão (Rio de Janeiro) airports. These studies, which serve as reference for the auctions, indicate an investment need of R\$ 5.2 billion to be made by the consortium awarded the concession of Galeão airport (25-year term) and of R\$ 3.5 billion for Confins airport (30-year term). These investments are in addition to those already implemented or under implementation by Infraero. The public hearing stage has been completed. The call will now be analyzed by the Federal Court of Audit (*Tribunal de Contas da União – TCU*) and then published.

## PHASE I OF PIL: 270 REGIONAL AIRPORTS



SOURCE: CIVIL AVIATION SECRETARIAT (SAC)

## INNOVATION ENTERPRISE PLAN

The Innovation Enterprise (*Plano Inova Empresa*) Plan, launched in April, integrates different government agencies and funding sources, with the aim to enhance the capacity of the Brazilian State to stimulate innovation in enterprises.

The agencies will issue joint requests for proposals for each of the seven strategic areas: agriculture and agribusiness; energy; oil and gas; health; aerospace and defense; information and communication technology; and environmental sustainability. Companies will be provided a support plan containing the instruments necessary for the viability of the innovative project, in a new governance model that will ensure more agility and less bureaucracy.

The planned investment is R\$ 32.9 billion by 2014, operated by the Brazilian Innovation Agency (*Agência Brasileira da Inovação - FINEP*) and BNDES.

There are four funding lines for activities in the area of research, development and innovation (RD & I):

- Economic subsidies to enterprises;
- Support for partnership projects between research institutions and businesses;
- Shareholding in technology-based companies;
- Credit for companies with subsidized interest rates between 2.5% and 5% p.a., with a four-year grace period and a payback period of 12 years.

## Proposals under analysis

Several requests for proposals had been published by the end of June 2013 under the Innovation Enterprise Plan:

**PAISS:** the Plan of Support to Innovation in the Sugar Energy and Sugar Chemistry Sectors (*Plano de Apoio à Inovação Tecnológica Industrial dos Setores Sucroenergético e Sucroquímico*) already has 35 operations in the contracting phase, totaling R\$ 2.6 billion.

**Inova Petro:** aimed at the production chain of the oil and gas industry, it has already approved 16 business plans, totaling R\$ 490 million.

**Inova Cred:** seven of the 12 agents accredited in 2013 are already eligible for the credit line earmarked for micro and small enterprises.

**Tecnova:** the Program of Support to Innovation in Micro and Small Enterprises (*Programa de Apoio à Inovação Tecnológica em Microempresas e Empresas de Pequeno Porte*) has established partnerships with 21 state entities

that should issue their requests for proposals starting from August this year.

With regard to Innovation Energy, Innovation Health, Innovation Air Defense, the proposals are in the demand assessment phase. Proposals are currently being received for Innovation Agriculture, the last request for proposals issued in the first half of the year.

For more information please visit:

<http://www.finep.gov.br/inovaempresa>

## STRONG LAND (TERRA FORTE)

The program of incentive to agro-industrialization in agrarian reform settlements (Strong Land) selected 122 projects in its first phase held in the first half of 2013. The second phase of the program will start in September 2013.

The first request for proposals for the program earmarks R\$ 300 million for the financing of projects developed by cooperatives and associations that aim to establish or upgrade collective initiatives in agribusiness settlements.

The program is open to entities representing collective bodies and associations of families of rural workers settled by Incra.



JOKA MADRUGA

## IPI EXEMPTION

### IPI on major home appliances and furniture

The reduction of the IPI - Tax on Industrialized Products (*Imposto sobre Produtos Industrializados*) rate, which ensures greater incentive to the economy, will continue in 2013, but with the gradual recovery of rates for major home appliances, furniture and panels. The new rates went into force on July 1st and will be

effective until the end of September.

The measure included products such as stove, semi-automatic washing machine, refrigerator, freezer, furniture, panels and laminates, among others.

With the new rates, IPI revenues are expected to increase by R\$ 118 million between July and September.

Major appliances	Regular rate	Reduced rate (until January 2013)	Benefits for 2013	
			February to June*	July to September*
Stove	4%	0%	2%	3%
Semi-automatic washing machine	10%	0%	2%	4,5%
Refrigerator and Freezer	15%	5%	7.5%	8,5%
Washing machine (automatic)	20%	10%	10%	10% (final)
Furniture	5%	0%	2.5%	3%
Panels	5%	0%	2.5%	3%
Laminates (high-resistance PET, PVC,	15%	0%	2.5%	3%
Lighting fixtures	15%	5%	7.5%	10%
Wallpaper	20%	10%	10%	15%

\* ONLY FOR PRODUCTS AT ENERGY EFFICIENCY LEVEL A.

### IPI de Automóveis

The reduced rate of IPI on vehicles, which was in effect until March 31st, 2013 has been extended to the end of the year.

For trucks, the rate will be maintained at 0% for an indefinite period of time.

The auto industry, which accounts for 25% of industrial output and is one of the main drivers of the Brazilian economy, consists of an extensive supply chain, such as the auto parts, upholstery and accessory sectors. The measure represents an additional R\$ 2.2 billion tax waiver from April to December 2013.

Vehicles	Regular rate	Reduced rate (until December 2012)	Benefits for 2013	
			January to March/2013	April to December
up to 1000 cc	7%	0%	2%	2%
<b>From 1,000 cc to 2,000 cc</b>				
FLEX	11%	5.5%	7%	7%
Gasoline	13%	6.5%	8%	8%
Utility vehicles	8%	1%	2%	2%
Trucks	5%	0%	0%	0%



BLOG DO PLANALTO

School buses and backhoes delivered to municipalities in Serra Talhada (Pernambuco)

## PAYROLL TAX REDUCTION

In July, the National Congress converted into law Provisional Presidential Decree No. 610 of 2013, which extends the benefit of payroll tax reduction to 16 new sectors, six of which to be effective from January 2014. The measure will then cover 56 sectors.

Among the new sectors benefited by the measure are civil construction, journalism and broadcasting, transport, and retail.

With this measure, the employer's share of social security tax on wages in the benefited sectors will stand at 1% or 2% of company revenues.

## GOVERNMENT PROCUREMENT

The list of production sectors that had margins of preference for procurement defined has been extended:

the margin of preference for domestically manufactured mechanical shovels, excavators, loaders and front-end loaders rose to 15% in May.

When the policy was adopted, margins of preference had already been defined through the Greater Brazil Plan (*Plano Brasil Maior*) launched in 2011, for apparel, footwear, backhoes and road graders, drugs and medicines, medical supplies, vehicles for railways, trucks, agricultural implements and ICT equipment, among other production sectors.

The measure aims to stimulate the domestic industry and new investments by setting criteria for differential treatment in contracts with the government, favoring domestic products and services that meet Brazilian technical standards, with a view to compensation trade and to fostering technological innovation in the country.

# More doctors and more investment

Improving training, hiring doctors and expanding the physical infrastructure of the public health system network

## NATIONAL PACT FOR HEALTH

The Federal Government has proposed to governors and mayors a pact for improving public health services in the country, which involves:

- Adopting measures to ensure that the number of doctors is consistent with primary care needs across the country.
- Increasing and accelerating investments in the structure of the public health network.

## MORE DOCTORS (MAIS MÉDICOS)

Brazil has 1.8 doctors per thousand people, a number that is insufficient to meet the demand for quality medical services in the country.

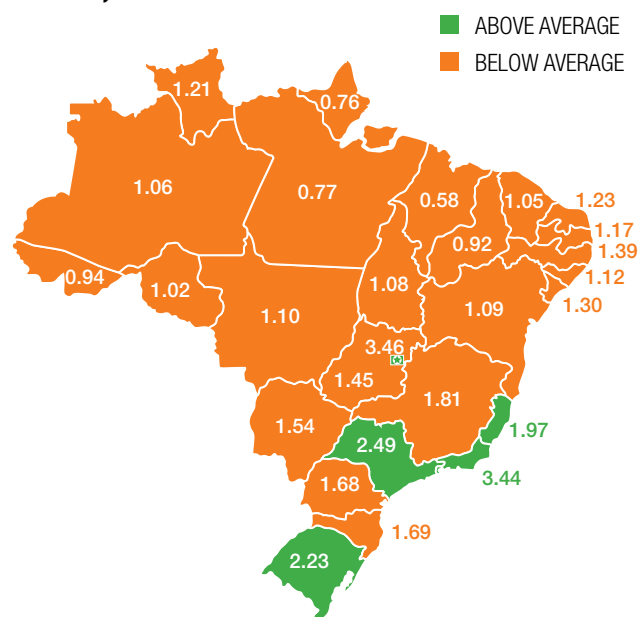
## PHYSICIAN-TO-POPULATION RATIO IN OTHER COUNTRIES

Country	Doctors/1,000 people
Brazil	1.8
Argentina	3.2
Uruguay	3.7
Portugal	3.9
Espanha	4
United Kingdom	2.7
Australia	3
Italy	3.5
Germany	3.6

SOURCE: WORLD HEALTH ORGANIZATION (WHO)

Besides being insufficient, the distribution of doctors in the country is totally uneven. The Southeast and South regions hold over 70% of all doctors in the country, of which 45% are concentrated in only two states: only two states: Rio de Janeiro and São Paulo. In 22 Federative Units the

## 22 STATES ARE BELOW THE NATIONAL AVERAGE OF DOCTORS PER 1,000 PEOPLE



SOURCE: MINISTRY OF HEALTH

physician-to-population ratio is below the national average, with as little as 0.58 doctors per 1,000 people in the state of Maranhão. And about 700 municipalities have no doctors permanently living in the municipality.

In view of this scenario, the More Doctors program aims to increase the number of doctors in Brazil, so as to ensure adequate primary health care throughout the country by increasing the number of professionals, mainly in municipalities in the interior of the country and in the outskirts of large cities. The goal is to increase the number of doctors from 374,000 in 2012 to 600,000 in 2026. To that end, the Federal Government will act on three fronts:

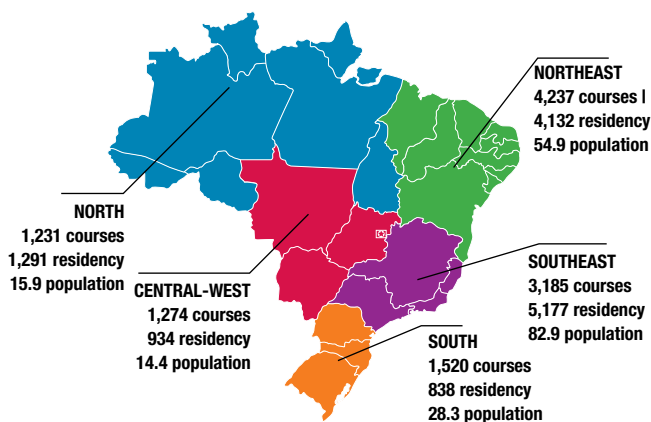


- Increasing the number of places in undergraduate medical courses and medical residency programs in Brazil.
- Incorporating to medical education a second two-year cycle of practical training in primary and urgency/emergency care.
- Opening national call for hiring doctors.

### EXTENDED MEDICAL TRAINING

To increase the supply of doctors in Brazil in the medium term, more places will be provided in medical courses and medical residency programs. The goal is to create over 11,447 new places in medical courses by 2017 and 12,372 in medical residency programs across the country. The regional distribution of new places aims to reduce inequalities, with a proportionally greater increase in the least assisted regions.

### PLACES IN UNDERGRADUATE MEDICAL COURSES AND MEDICAL RESIDENCY PROGRAMS AND POPULATION BY REGION (IN MILLIONS OF PEOPLE)



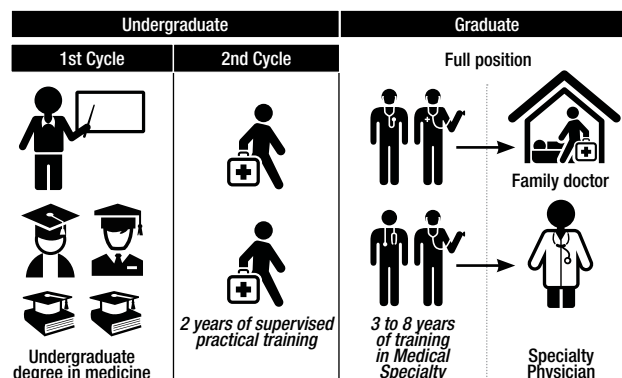
SOURCE: MINISTRY OF EDUCATION (MEC)

### INCORPORATION OF THE SECOND CYCLE IN UNDERGRADUATE MEDICAL EDUCATION

To improve the medical training process in Brazil, a two-year cycle of training in primary and urgency/emergency care within the Unified Health System (*Sistema Único de Saúde* - SUS) will be incorporated into undergraduate medical education.

As is the case in the UK, the incorporation of the 2nd cycle aims to ensure all doctors experience in primary and emergency care as an essential part of their training.

### IMPLEMENTATION OF THE SECOND CYCLE IN MEDICAL EDUCATION



The new cycle will have the technical supervision of the educational institution and grants from the Ministry of Health, and will be used in medical residency programs and other graduate programs.

### PUBLIC CALL FOR DOCTORS

Despite the increased number of places in undergraduate courses and improved training of Brazilian doctors, SUS has an immediate need for professionals.

In primary care alone, there is an immediate need for 6,602 professionals and an expected additional demand for 35,000 doctors as a result of current investments in Basic Health Units (*Unidades Básicas de Saúde* - UBS) and Emergency Care Units (*Unidades de Pronto Atendimento* - UPA).

To meet this immediate need for professionals, a public call for hiring Brazilian doctors to work in primary care has been issued. The contract with these professionals will:

- Be for a 3-year term, renewable for an equal period.
- Ensure a R\$ 10,000 grant fully funded by the Ministry of Health.
- Include an expense allowance of up to three times the amount of the grant, according to the region where the doctor will be working, to defray moving and settlement expenses.
- Ensure participation in specialization courses in public universities.

Only where the positions are not fully filled by Brazilian doctors, foreign doctors will be called in, provided that they meet the following conditions



- Are qualified to practice medicine in the country of origin.
- Have knowledge of Portuguese.
- Are from a country with more doctors per capita than Brazil.

Foreign doctors who come to be hired:

- Will be accepted and evaluated for a three-week period by Brazilian public universities.
- Will be constantly evaluated and supervised by public universities and the respective state and municipal health secretariats.
- Will only be authorized to work in primary care in the regions defined in the program.

IN BRAZIL, ONLY 1.79% OF DOCTORS GRADUATED IN A FOREIGN COUNTRY. THIS PROPORTION IS LOWER THAN THAT OF SEVERAL COUNTRIES WORLDWIDE. IT STANDS AT 17% IN CANADA; REACHES 25% IN THE USA; AND IS AS HIGH AS 37% IN THE UK

### PROGRAM TO ACKNOWLEDGE THE VALUE OF PRIMARY HEALTH CARE PROFESSIONALS (*PROGRAMA DE VALORIZAÇÃO DOS PROFISSIONAIS DA ATENÇÃO BÁSICA - PROVAB*)

#### DENTISTS AND NURSES

A new call for Provab is planned for the second half of 2013, with 1,500 positions to be filled by dentists and nurses, of which 1,000 are for nurses and 500 for dentists, with a grant of R\$ 2,384.82.

This call will seek to cater to municipalities that already have Provab doctors, with a focus on the School Health (*Saúde na Escola*) and Smiling Brazil (*Brasil Sorridente*) programs.

### MORE INVESTMENT

Another commitment provided for in the pact is to increase investments in hospitals, Emergency Care Units and Basic Health Units, in addition to accelerating investments already authorized.

More than R\$ 5.5 billion will be invested by 2014, besides the R\$ 7.4 billion already contracted, totaling R\$ 12.9 billion.



### INVESTMENTS ALREADY AUTHORIZED

#### R\$ 7.4 billion - Total

**Hospitals:** 818 are under construction; 2,459 pieces of equipment are being purchased

**24/7 UPA:** 877, 276 are already in operation and in need of more doctors and 601 are under construction

**UBS:** about 16,000 units, of which 3,197 are in operation and in need of more doctors and 12,593 are under construction

### MORE INVESTMENTS

#### R\$ 5.5 billion - Total

**UBS:** about 17,800 units, of which 6,000 are under construction and 11,800 are under renovation and expansion

**UPA 24h:** more than 225 new units

**Public-Private Partnership:** to manage and increase the number of hospitals

### S.O.S EMERGENCIES

The S.O.S. Emergencies aims to improve public service in the ER of major hospitals in the country through investments in physical infrastructure, computerization and professional training to improve management.

Eighteen months into its inception, the program has already benefited 22 public hospitals. Of these, ten joined the program in 2013 and have begun identifying and addressing key hospital issues by developing situational diagnosis and action plans. ER occupancy rates have already fallen in the first 12 hospitals participating in the program. A total of 1,693 new recovery beds are currently available and 2,160 health professionals have been trained.

## REFINANCING OF CHARITABLE HOSPITALS' DEBTS

The Federal Government will refinance the debts of charitable nonprofit entities.

The Bill sent to Congress provides for the discharge of the entities' debts within a 15-year period, subject to the acceptance and fulfillment of the following conditions:

- Increased supply of exams/tests, surgeries and care to SUS users.
- Payment of current taxes (contributions payable in the corresponding fiscal year).

In addition, the annual amount of the Contract Incentive (*Incentivo à Contratualização – IAC*) earmarked for charitable hospitals under contract will double by 2014, representing an additional R\$ 1.5 billion. The amount of the IAC increased 179% between 2008 and 2012.

## BETTER AT HOME (*MELHOR EM CASA*) – HOME CARE PROGRAM

Implemented in 24 states and 156 municipalities, the program currently has 540 Multidisciplinary Home Care Teams (*Equipes Multiprofissionais de Atenção Domiciliar – Emad*) and 252 Multidisciplinary Support Teams (*Equipes Multiprofissionais de Apoio – Emap*). By last May, 141,400 patients had benefited from home care services. The main cases treated are stroke (23%), hypertension (8.9%) and Alzheimer's (7.2%).

## INCREASED RESOURCES FOR PRIMARY CARE

The Fixed PAB (*PAB Fixo*), which is the fixed part of the Basic Care Minimum (*Piso da Atenção Básica – PAB*) paid per capita, per year, was increased by R\$ 3 for all Brazilian municipalities. This increase will result in a R\$ 388 million increase in the amount corresponding to the Fixed PAB transferred to the municipalities in eight months of 2013, and approximately R\$ 600 million in 2014.

With respect to the Variable PAB (*PAB Variável*), which is proportional to the services provided, the amounts transferred increased from R\$ 5.9 billion in 2010 to R\$ 8.3 billion in 2012, representing a 40.7% growth over the period.

As a result, the amount of primary care funding increased 53% from R\$ 9.57 billion in 2010 to R\$ 14.66 billion in 2013.

## HEALTH IS PRICELESS (*SAÚDE NÃO TEM PREÇO*)

### Free access to hypertension and diabetes medicines

More than 15.2 million people have had access to free medicines since February 2011, when the distribution started.

### BENEFICIARIES WHO HAD ACCESS TO MEDICINES IN THE MONTH

	Hypertension	Diabetes
January/11	658,000	306,000
May/13	4.5 million	1.6 million
Increase	583%	436%

SOURCE: MINISTRY OF HEALTH – MAY 2013

### Free Access to asthma medicines

In May 2013, 183,000 people had had free access to asthma medicines, a 281% increase compared to May 2012, when 48,000 people bought drugs at a discount of 90%.

The results of the policy are reflected in decreasing hospitalizations of patients with asthma attacks. Between July 2012 and April 2013, the hospitalization of patients with asthma fell 16% when compared to the same period between 2011 and 2012. In absolute terms, the number of hospitalizations through the Unified Health System fell by 20,523.

### Popular Drugstore (*Farmácia Popular*)

There are more than 26,000 accredited drugstores across the country, covering 3,818 municipalities. The Popular Drugstore offers, besides free medicines, other items at discounts up to 90%.

The average monthly number of people served increased from 1.2 million in January 2011 to 6 million in April 2013.

### PUBLIC DRUGSTORES AND ACCREDITED DRUGSTORES

	Units	Municipalities
2010	14,546	2,548
May 2013	26,175	3,818
Increase	80.0%	49.8%

SOURCE: MINISTRY OF HEALTH – JUNE 2013

### DRUG AND VACCINE PRODUCTION

#### Brazil has begun to produce 21 new drugs and vaccines

The Ministry of Health has signed 33 new Productive Development Partnerships (*Parcerias de Desenvolvimento Produtivo* - PDP) for the production of 21 new biological products, chemical synthesis drugs, vaccines and medical products.

Through the partnerships, which involve 30 laboratories (13 public and 17 private), the Ministry of Health is expected to save 60% of the amount currently spent on the purchase of these 21 products – which include, for example, state-of-the-art biological products for treating cancer, rheumatoid arthritis and diabetes, among other diseases.

A UKRAINIAN MISSION VISITED BRAZIL IN APRIL TO DISCUSS TECHNOLOGY TRANSFER, WITH A FOCUS ON THE RESUMPTION OF THE DOMESTIC PRODUCTION OF INSULIN, THUS ENSURING TREATMENT TO ABOUT 1 MILLION BRAZILIANS WITH DIABETES ASSISTED BY SUS

As a result, the total number of Productive Development Partnerships has risen to 88, comprising 64 types of medicines, 7 vaccines, 4 health products and 4 Research and Development (R&D) products.

THE HUMAN PAPILLOMAVIRUS (HPV) VACCINE, USED IN CERVICAL CANCER PREVENTION WILL BE INTRODUCED IN SUS FROM 2014, THANKS TO THE PDP THAT WILL ENABLE ITS PRODUCTION IN BRAZIL

### CANCER TREATMENT

**Treatment within 60 days:** Law No. 12.732/12 providing for the beginning of cancer treatment no later than 60 days after registration of the diagnosis in the patient's medical record has been in force since May 2013.

**Breast reconstruction surgery:** enactment of Law No. 12802/2013 providing for the mandatory provision of breast reconstruction surgery in cases of mutilation resulting from cancer treatment.



UNIPAR

# Public investment per student grows in all educational levels

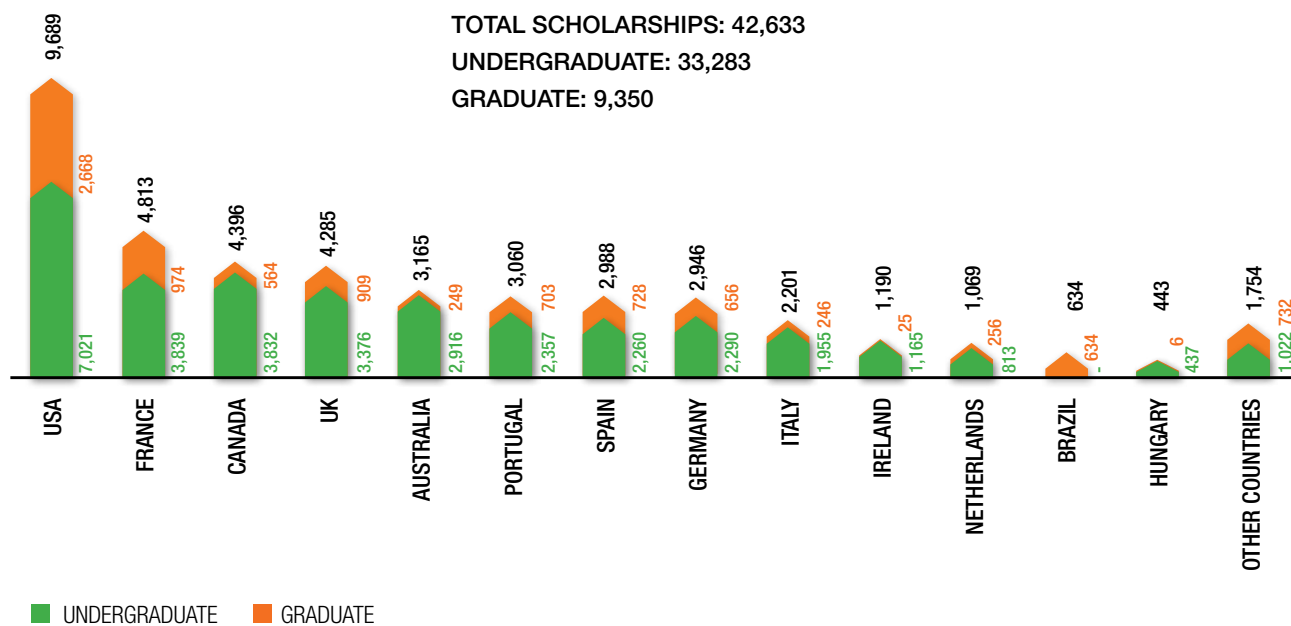
Government creates places in higher education by establishing new public universities and expanding access to scholarship programs

## SCIENCE WITHOUT BORDERS

By June 2013 the Science without Borders program had awarded 42,633 scholarships, of which 33,238 were for undergraduate courses and 9,350 for graduate courses in 40 countries. Of this total, 634

graduate scholarships were awarded to foreign students who come to Brazil as “visiting researcher” and “young talent”. The goal is to award 101,000 scholarships to students and researchers by 2014.

## SCHOLARSHIPS AWARDED BY THE SCIENCE WITHOUT BORDERS PROGRAM



SOURCE: CAPES/CNPQ, DATA AVAILABLE ON JULY 3RD, 2013



GEYSON MAGNO

### English without Borders

Launched in December 2012, the program aims to increase the English proficiency of scholarships applicants under the Science without Borders program.

The course has already received 437,757 applications and covers all levels of proficiency, from the most basic to the most advanced.

Another initiative of the program is the diagnosis of English proficiency. The measure will reach 500,000 students eligible to participate in the Science without Borders program by 2015.

After completion of the tests, some 20,000 students with the best results will attend classroom courses offered by 45 federal colleges and universities.

To attend the course, students should be regularly enrolled in an undergraduate program at a college or university, either public or private, and have scored a minimum of 600 points in the National Secondary Education Examination (*Exame Nacional do Ensino Médio - Enem*), or be a graduate student in an institution accredited by the Brazilian Ministry of Education.

TOTAL INVESTMENT IN EDUCATION INCREASED FROM 4.7% TO 6.1% OF GDP BETWEEN 2000 AND 2011. PUBLIC DIRECT INVESTMENT PER STUDENT GREW 500% IN NOMINAL VALUES OVER THE SAME PERIOD

### NATIONAL PROGRAM FOR ACCESS TO TECHNICAL EDUCATION AND EMPLOYMENT (PROGRAMA NACIONAL DE ACESSO AO ENSINO TÉCNICO E EMPREGO – PRONATEC)

By June 30, 2013 Pronatec had recorded 3.3 million enrollments in technical and professional training courses in over 400 areas of knowledge.

Another 2.3 million places are expected to be offered - 724,000 in technical courses and 1.5 million in professional training courses.



### Incentive to entrepreneurship

The Pronatec Entrepreneur (*Pronatec Empreendedor*) program aims to include content on entrepreneurship, in partnership with Sebrae, in the courses that are already offered by the networks of professional and technological education and the S system.

Implementation will take place in two stages. In the first, which is already underway, about 300 teachers will be trained to teach the discipline of entrepreneurship to 100,000 students across Brazil, distributed in approximately 20 courses.

Starting from the second half of 2013, the course will be gradually incorporated into other courses of the Pronatec Guide. The goal is to reach 1.62 million students and train 7,000 teachers by 2014.

### PROUNI

The second 2013 edition of the selection process for the University for All Program (*Programa Universidade para Todos - ProUni*) awarded 90,045 scholarships, of which 55,693 were full scholarships and 34,352 partial scholarships for 21,140 courses and 919 institutions across the country.

ProUni awards full scholarships and partial scholarships (50% of the tuition) to low-income students in private institutions of higher education.

In June 2013, 488,155 students were enrolled in higher education with a scholarship from ProUni. The program has already benefited 1,217,545 students throughout the country.



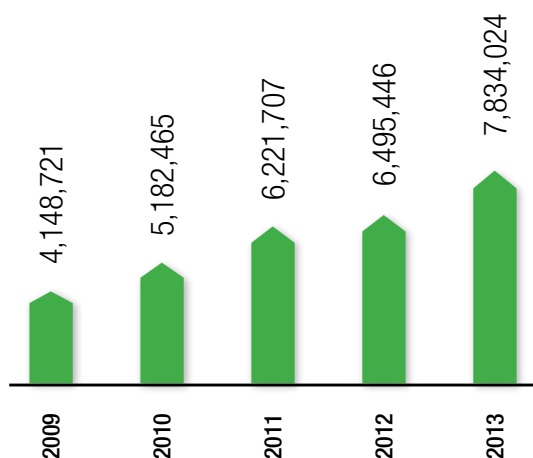
## NATIONAL SECONDARY EDUCATION EXAMINATION (EXAME NACIONAL DO ENSINO MÉDIO - ENEM)

A total of 7.8 million students applied for the 2013 edition of Enem. Since 2009, the examination has gained strength as a means of access to higher education.

With the result of Enem, students can pursue a place in higher education through the Unified Selection System (*Sistema de Seleção Unificada - SiSU*) or scholarships through the University for All Program (*Programa Universidade para Todos - ProUni*), under the Science Without Borders program, and receive the benefit of the Student Financing Fund (*Fundo de Financiamento Estudantil - FIES*).

Enem also promotes the certification of secondary education for youth and adults. In the 2013 edition, 784,830 participants will take the test to receive certification.

### ENEM



ENROLLMENTS

SOURCE: MINISTRY OF EDUCATION (MEC)

## UNIFIED SELECTION SYSTEM (SISTEMA DE SELEÇÃO UNIFICADA - SISU)

The second 2013 edition of SiSU, which selects students based on the grades obtained in the National Secondary Education Examination (*Exame Nacional do Ensino Médio - Enem*) for admission into undergraduate courses in public institutions, recorded 788,819 applications. A total of 39,724 places were offered for 1,179 courses in 54 institutions.

## HIGHER EDUCATION

### New federal universities increase access to higher education

Four new federal universities have been established: the Federal University of Cariri (*Universidade Federal do Cariri - UFCA*), in the state of Ceará; the Federal University of Southern and Southeastern Pará (*Universidade Federal do Sul Sudeste do Pará - Unifesspa*); the Federal University of Western Bahia (*Universidade Federal do Oeste da Bahia - UFOB*); and the Federal University of Southern Bahia (*Universidade Federal do Sul da Bahia - Ufesba*). By 2018, the new universities will cater to more than 38,000 students in 145 undergraduate courses, for which 1,677 professors and 2,156 administrative staff will be hired, bringing higher education to five municipalities in Pará, eight in Bahia and three in Ceará.

WAY TO SCHOOL HAS ALREADY DELIVERED 20,633 BUSES, OF WHICH 19,318 ARE FROM PRONACAMPO AND 1,315 ARE ACCESSIBLE URBAN BUSES, PLUS 674 BOATS, 172,061 BICYCLES AND HELMETS

## MORE CULTURE IN SCHOOLS

This year, the More Culture in Schools (*Mais Cultura nas Escolas*) program will contemplate 5,000 cultural projects from public schools. The projects, to be developed through partnerships between schools, artists and cultural organizations, will promote the dissemination of culture in schools and contribute to the establishment of an audience for arts in the school community.

Approximately R\$ 100 million will be invested to fund the projects. More than 47,000 schools have submitted projects. The amounts will be transferred directly to the schools through the Money Directly in the School Program (*Programa Dinheiro Direto na Escola*).

# Partnerships between the Federal Government, states and municipalities are enhanced

More resources, infrastructure and training in the fight against crime

## SAFER BRAZIL (*BRASIL MAIS SEGURO*) PROGRAM

Paraíba and Rio Grande do Norte joined the Safer Brazil (*Brasil Mais Seguro*) program in May and June respectively. The program promotes coordination between federal and state agencies to reduce crime rates.

The Northeast is being prioritized because it is the region with the highest growth in the number of homicides.

The results achieved in Alagoas show that the partnership between federal and state agencies has a decisive effect in the fight against violence. One year into the program, the rate of violent crime has fallen by 9% in the state at large and 18% in the capital. The upward

homicide curve recorded in the last 12 years in Alagoas has been halted.

## CRACK, YOU CAN BEAT IT (*CRACK, É POSSÍVEL VENCER*)

Launched in December 2011, the program comprises Federal Government actions in coordination with states and municipalities, to tackle the problem of addition to crack cocaine and other drugs. Four states and 53 municipalities joined the program in the first half of the year, bringing the number of participants to 18 states and 82 municipalities.

## STATES AND MUNICIPALITIES PARTICIPATING IN THE PROGRAM

State	Municipalities
Acre	1
Alagoas	1
Ceará	4
Distrito Federal	-
Espírito Santo	1
Goiás	3
Mato Grosso do Sul	1
Minas Gerais	11
Pará	3
Paraíba	2
Paraná	6
Pernambuco	1
Piauí	1
Rio de Janeiro	10
Rio Grande do Norte	3
Rio Grande do Sul	1
Santa Catarina	4
São Paulo	28
Sergipe	1
Total Brazil	82

MUNICIPAL GOVERNMENT OF SÃO PAULO



Mobile monitoring unit of the "Crack, You can Beat it!" Plan in São Paulo

SOURCE: MINISTRY OF JUSTICE

## MORE INVESTMENT IN THE PRISON SYSTEM

### Increased number of places

A total of 99 projects have been approved to build and expand public prisons. These projects represent an increase of 37,906 places in the prison system and investments worth R\$ 948.97 million. Works have been approved in the states of Alagoas, Amazonas, Amapá, Bahia, Ceará, Federal District, Espírito Santo, Goiás, Maranhão, Minas Gerais, Mato Grosso do Sul, Mato Grosso, Pará, Paraíba, Pernambuco, Piauí, Paraná, Rio de Janeiro, Rondônia, Rio Grande do Sul, Santa Catarina, Sergipe, São Paulo, Tocantins and Rio Grande do Norte.

The goal is to reach 42,500 new places by 2014, with projected investments of R\$ 1.1 billion.

Year	No. of projects approved	No. of places planned	Investment (in R\$ million)
2011	20	9,098	263.56
2012	54	17,750	387.64
2013	25	11,158	297.77
Total	99	38,006	948.97

SOURCE: MINISTRY OF JUSTICE

### Safer prisoner transport

To improve security in the transport of prisoners to and from courthouses and in transfers between prisons, 215 secure, purpose designed and built vehicles have been donated to state governments. The donated vehicles carry up to eight prisoners and are equipped with a camera system. The investment totaled R\$ 22 million and each state has received a minimum of five units.

In 2011 the states received 103 of such vehicles and 70 ambulances of the Mobile Urgency Care Service (*Serviço de Atendimento Móvel de Urgência - SAMU*) type, with investments of over R\$ 18 million.

### Education in the Prison System

A total of 1,800 places have been provided for young prisoners (18-29 years old) to complete primary education, coupled with digital inclusion, professional training and citizenship education initiatives. Classes start in September and the cycle is completed in 18 months. States participating in the program include Acre, Alagoas, Bahia, Ceará, Pará, Paraíba, Pernambuco, Piauí, Paraná and Rio Grande do Sul, which

have adhered to the public notice issued by the Federal Government and met the requirements to join the program.

### Professional education for social rehabilitation

Through Pronatec, 35,000 places were created in 2013 and 55,000 for 2014. This year, the courses will be offered outside of prisons, for inmates serving time in open or semi-open conditions and former convicts. Classroom courses inside the prisons will start in 2014 for pretrial detainees and in inmates in closed conditions. Besides learning a profession, inmates can also benefit from sentence reduction in exchange for attending classes.

### STRATEGIC BORDER PLAN (PLANO ESTRATÉGICO DE FRONTEIRAS)

In operation since 2011, the plan involves operations in the 11 states that have border areas, integrating the three levels of government in the prevention and repression of cross-border crimes and strengthening the State's presence in the region.

### Operation Agate 7

The seventh edition of Operation Agate, which lasted 19 days between May and June, mobilized some 33,500 military personnel and 1,100 government employees, covering the entire Brazilian border, which is nearly 17,000 kilometers long. The operation resulted in 26 tons of drugs seized, 17,600 vessels inspected and 267,600 vehicles searched.

### More equipment

By 2014, all Brazilian states will receive a mobile scanner to locate drugs and weapons hidden in vehicles, even while these are on the move. Border states will receive two scanners, the same used by the Federal Highway Police in Operation Sentinela.

To increase surveillance, state governments will be supported in the installation of surveillance cameras in 60 border municipalities, with monitoring and image transmission systems.

### TRAINING FOR PUBLIC SECURITY PROFESSIONALS

In 2013, a total of 260,292 enrollments were recorded in the National Distance Education Network – DE-Senasp Network (*Rede Nacional de Educação a Distância – Rede EAD-Senasp*), benefiting about 200,000 public security professionals and administrative staff working in security areas.



# FIFA Confederations Cup 2013 is successfully held

Security Command and Control System for Major Events is in operation

## CONFEDERATIONS CUP

Considered a test event for the FIFA World Cup 2014, the FIFA Confederations Cup 2013 was successfully held on and off the field.



WORLD CUP PORTAL

- This edition of the FIFA Confederations Cup 2013 recorded, according to FIFA, the second highest average attendance in history and the largest television audience of all editions, with 69.3 million people tuned in for the final match.
- As for the FIFA World Cup 2014, the Ministry of Tourism estimates the attendance at 600,000 foreign tourists and 3 million Brazilians.
- According to the Ministry of Sport, 24,500 jobs were created with the construction of the six stadiums of the FIFA Confederations Cup 2013 alone.
- During the FIFA Confederations Cup 2013, 903 entrepreneurs from 70 countries visited Brazil through an initiative of the Export Promotion Agency (*Agência de Promoção das Exportações* - APEX). The expectation is that US\$ 1 billion will be added to Brazilian exports in the next 12 months as a result of the negotiations in question.
- Airport operations ran smoothly during the FIFA Confederations Cup 2013. In the seven airports involved in the tournament, the cumulative average of flight delays exceeding 30 minutes was 11.14% between June 14 and July 1st. The index is below the average for European airports, which was 16.01% in the three previous years, and lower than in the same period in 2012: 11.70%.

- According to the study conducted by the Institute for Economic Research (*Instituto de Pesquisas Econômicas* - FIPE), the FIFA Confederations Cup 2013 is estimated to have:
  - generated an economic impact of R\$ 740 million, R\$ 322 million of which directly in the tourism chain and R\$ 348 million indirectly, and R\$ 70 million in disbursement by competing teams.
  - attracted 230,000 Brazilian tourists and 20,000 foreign tourists to the host cities, who spent on average 14 days in the country.



- **24,500** workers in the construction of stadiums;
- The event generated an economic impact of **R\$ 740 million**;
- **230,000** Brazilian tourists in the host cities;
- **20,000** foreign tourists;
- **69.3 million** people watched the final on TV.



## FIFA WORLD CUP 2014

Works in the six stadiums that make up the group of 12 arenas for the FIFA World Cup 2014 are apace, as well as other infrastructure projects.

## STADIUMS OF THE FIFA WORLD CUP 2014

World Cup stadiums	completion %
Corinthians Stadium - São Paulo	81.6%
Pantanal Arena - Mato Grosso	72.7%
Sports Complex Curitiba 2014 - Paraná	71.4%
Amazonia Arena - Amazonas	65.4%
Dunas Arena - Rio Grande do Norte	78.2%
Beira Rio - Rio Grande do Sul	68.5%

SOURCE: MINISTRY OF PLANNING - WORLD CUP MATRIX

## ESTIMATED IMPACT OF THE FIFA WORLD CUP 2014 IN THE PERIODO 2010-2014:

- Investment by the private sector of R\$ 3.4 for every R\$ 1 invested by the public sector in the FIFA World Cup 2014;
- R\$ 112.8 billion injected into the economy, in addition to expenditures on infrastructure and organization;
- Creation of a total of 3.6 million jobs a year as an impact of the World Cup in the period.

SOURCE: ERNST & YOUNG/FGV



Integrated Command and Control Center

## Command and Control System for Security at Major Events is in Operation

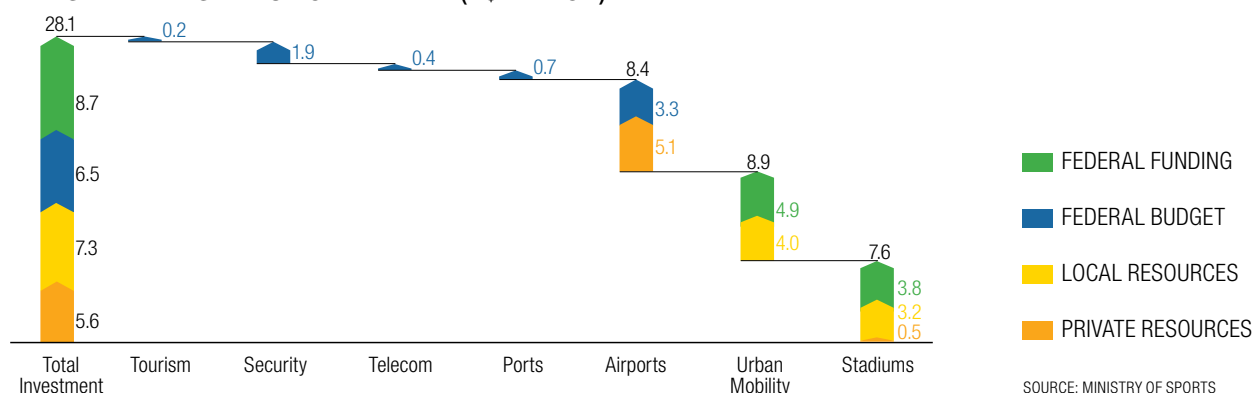
The Integrated Control System for Security at Major Events in operation since June is one of the great legacies of the FIFA World Cup 2014 for public security in the country. The total cost of implementing the system was R\$ 1.8 billion.

The system comprises two National Integrated Command and Control Centers (*Centros Integrados de Comando e Controle Nacional - CICCEN*) headquartered in Brasília (DF) and a data backup center in Rio de Janeiro (RJ), and already has six Regional Centers (*Centros Regionais - CICCER*) in operation. By 2014 another six Regional Centers will have been established in the other host cities of the FIFA World Cup 2014.

The regional centers are part of the commands of actions in the areas of Public Security, National Defense, Intelligence, Private Security, Civil Defense, Traffic, and Health among others.

## INVESTMENT BY THE RESPONSIBILITY MATRIX

INVESTMENT DISTRIBUTION BY AREA (R\$ BILLION)



SOURCE: MINISTRY OF SPORTS

## OPERATION OF THE NATIONAL

### COMMAND CENTER



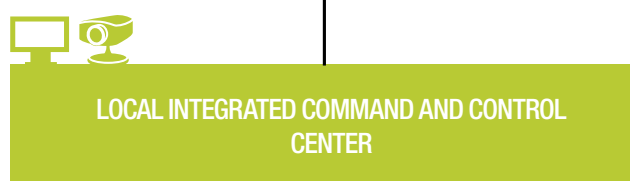
### REGIONAL



### MOBILE



### LOCAL



Two Mobile Integrated Command and Control Centers will also be established in each host city of the FIFA World Cup 2014. These centers are comprised of trucks with advanced communication equipment, cameras and terminals with night vision platforms and video surveillance systems with automatic video analysis from pre-defined public behavior standards.

In addition, the states are being provided with additional security equipment such as elevated observation platforms, aerial imagers, less lethal weapons, anti-bomb kits and jaw of life tools.

## 2016 OLYMPICS

### WORKS HAVE BEGUN AT THE BARRA OLYMPIC CENTER

The main sporting legacy of the Olympics in Rio de Janeiro began to be built in July. The three sports halls at Barra Olympic Park, which will be the first Training Olympic Center (*Centro Olímpico de Treinamento - COT*) in the country and the most modern in South America, are currently under construction.

The Center will host more than ten Olympic and Paralympic competitions and, after 2016, it will be used as training grounds for 12 Olympic sports, besides housing a Nutrition, Physical Therapy and Sports and Clinical Medicine research laboratory, which is the first of its kind in South America.

### ATHLETE SPONSORSHIP PROGRAM (*BOLSA ATLETA*) SUPPORTS MORE THAN 5,700 COMPETITORS

At the end of the first half of 2013, more than 5,700 athletes had benefited from the Athlete Sponsorship Program. This number represents an increase of 17% compared to that recorded at the end of 2012.

The Program Includes five categories of grants ranging between R\$ 370 and R\$ 3,100 to ensure the athletes minimum conditions to prepare for local, South American, Pan American, world, Olympic and Paralympic competitions.

The Podium Athlete Program (*Programa Atleta Pódio*), which is intended to fund elite athletes ranked among the top twenty in the world in their sport will be implemented in August. The sponsorship program provides grants of up to R\$ 15,000 to the athletes, as well as remuneration for coaches and multidisciplinary teams, and support for participation in competitions and purchase of sporting equipment and goods.

# My House My Life

Expansion of program targets and launch of My Better House (*Minha Casa Melhor*)



PLANALTO BLOG

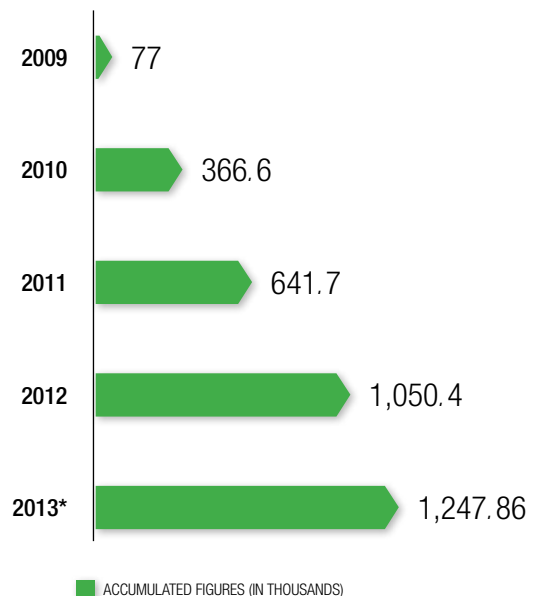
Iguape Residence Condominium - São Paulo (SP)

## TARGET EXPANDED BY 350,000 HOUSING UNITS

In June this year, the My House My Life (*Minha Casa Minha Vida* - MCMV) Program reached the milestone of 1.24 million homes delivered. Besides these, other 1.5 million units have already been commissioned, of which 60.7% are earmarked for families with monthly income up to R\$ 1,600 (Level 1).

A total of 966,700 units will be commissioned until the end of 2014. The program's target has been expanded by 350,000 units. As a result, a total of 3.750 million families will benefit from homeownership under MCMV.

## EVOLUTION IN THE DELIVERY OF HOUSING UNITS (UH)



\*POSITION ON 06/30/2013

SOURCE: CAIXA ECONÔMICA FEDERAL/MINISTRY OF CITIES

## INVESTMENTS REACH R\$ 206.6 BILLION

By June 2013, the Federal Government alone had invested some R\$ 177.54 billion in the program, with R\$ 81.77 billion in subsidies and R\$ 95.77 billion in funding. The remaining funds are contributions from state and municipal governments and resources invested by program beneficiaries.

## RURAL MCMV

By June 30, the program had delivered 25,500 dwellings in the rural area. Other 71,100 units have already been commissioned. Of these, 39,780 are under construction.

### MY BETTER HOUSE (MINHA CASA MELHOR)

Launched in June, the program provides a special credit line for the purchase of furniture and home appliances. All families benefited from the My House My Life Program who keep timely payment of their mortgage loans will have access to a credit of up to R\$ 5,000 to buy furniture and home appliances. A total of ten different items can be purchased in more than 13,000 shops accredited by CAIXA throughout Brazil. The loan payment term is 48 months, with an interest rate of 5% p.a. The products can be bought at a 5% discount to the spot price.

In the first month of the program, 100,000 families had benefited from the credit line, totaling R\$ 500 million in contracts. About 80% of these families are in income Level 1 - up to R\$ 1,600.

Beneficiaries can start using the credit upon delivery of the dwelling. This credit is available for 12 months, and the corresponding installments can be paid either by bank payment slips or bank debit. Families in units already delivered can contract the loan through CAIXA, in which case the card will be delivered to their homes within ten working days.

### MY BETTER HOUSE PRODUCTS INCLUDED:

Product	Maximum amount
Wardrobe	R\$ 380
Double Bed	R\$ 370
Single Bed	R\$ 320
Table with Chairs	R\$ 300
Sofa	R\$ 375
Refrigerator	R\$ 1,090
Stove	R\$ 599
Automatic Washer	R\$ 850
Digital TV	R\$ 1,400
Laptop or Computer with internet access	R\$ 1,150

SOURCE: [WWW.MINHACASAMELHOR.COM.BR](http://WWW.MINHACASAMELHOR.COM.BR)



### IN THE FIRST 30 DAYS OF THE PROGRAM:

- **R\$ 500 million** in loans were made available;
- **100,000** beneficiary families;
- **80%** of borrowers with income up to **R\$ 1,600**.



PLANALTO BLOG

Alterosa Residence, in Ribeirão das Neves (MG)



# Plans to support agribusiness and family agriculture

New measures to increase agricultural and livestock productivity and competitiveness

Actions to support agricultural and livestock production in the 2013/2014 harvest were announced in June.

## AGRICULTURE AND LIVESTOCK PLAN 2013/2014 (PLANO AGRÍCOLA E PECUÁRIO 2013/2014)

In the 2013/2014 harvest, R\$ 136 billion will be provided for production and marketing financing and investments in entrepreneurial agriculture, up 18% from the previous harvest, as follows: R\$ 115.6 billion at controlled interest rates and R\$ 20.4 billion at free interest rates.

### Main measures

**More credit:** credit for production funding and marketing increased 9.8% over the previous harvest, totaling R\$ 97.6 billion. In addition, the credit limit per producer increased from R\$ 800,000 to R\$ 1 million for production funding and from R\$ 1.6 million to R\$ 2 million for marketing. The interest rate remains at 5.5% p.a.

**Support for marketing:** R\$ 2.5 billion for product purchase and stock maintenance and R\$ 3.1 billion for price equalization, guaranteeing minimum prices to producers.

**Strengthening of medium producers:** the National Program for Support to Medium Rural Producers (*Programa de Apoio ao Médio Produtor Rural – Pronamp*) has been expanded. The amount of available funds has grown 18.4%, to R\$ 13.2 billion. Funding limits have also increased: the limit for production financing has increased from R\$ 500,000 to R\$ 600,000, and from R\$ 300,000 to R\$ 350,000 for investment. Interest rates have fallen from 5% to 4.5% p.a. The annual gross income for farmers to be classified as a medium-sized producers has increased from R\$ 800,000 to R\$ 1.6 million.

**Program of Incentive to Technological Innovation in Agricultural Production (*Programa de Incentivo à Inovação Tecnológica da Produção Agropecuária*)**



– **Inovagro):** R\$ 1 billion will be available to support the adoption of technological innovations, at an interest rate of 3.5% p.a. In this harvest, priority activities include precision agriculture, greenhouse cultivation of horticultural crops and automation for agriculture and pig rearing.

**Rural Insurance Subsidy Program (*Programa de Subvenção ao Seguro Rural – PSR*):** R\$ 700 million are available to subsidize rural insurance, up 75% compared to the previous harvest. Resource allocation will prioritize specific areas and products.

- R\$ 525 million will be earmarked for priority regions and products such as grain and temperate fruits. In these cases, the subsidy will amount to 60% of the insurance premium;
- R\$ 75 million will be earmarked for other products and regions, with the subsidy corresponding to 40% of the premium amount.

These measures should enable an increase of 80.5% in the insured area, to 11.5 million hectares, and of 81% in the number of producers assisted, which is expected to reach 96,000.



## INCENTIVE TO STORAGE

Producers, cooperatives and cereal producers will enjoy a credit line of R\$ 25 billion to finance the construction of warehouses.

Interest is 3.5% p. a. and the repayment period is up to 15 years. R\$ 500 million will be invested to upgrade and build public warehouses, doubling the storage capacity of the National Supply Company – Conab. The goal is to increase the storage capacity by 65 million tons within five years.

**Agricultural defense:** Six National Agricultural Laboratories (*Laboratórios Nacionais Agropecuários – Lanagros*) will be upgraded, with investments worth R\$ 120 million. Another measure will entail the consolidation of the Brazilian System of Inspection of Animal Origin Products (*Sistema Brasileiro de Inspeção de Produtos de Origem Animal – SISBI – POA*), thus facilitating access by states and municipalities to the program. The program will also support the development of the beef carcass classification system, encouraging farmers to improve meat quality and standards.

**Low carbon agriculture (*Agricultura de baixo carbono – Programa ABC*):** R\$ 4.5 billion to fund sustainable practices in agriculture, a 32% increase in available funds compared to the previous harvest. The interest rate is 5% per annum and the repayment period is 15 years. The credit limit for planted forests has increased from R\$ 1 million to R\$ 3 million.

**Support for cooperativism:** two credit lines operated by BNDES, totaling R\$ 5.3 billion, will be available to support cooperatives.

- **Cooperative Development Program for Adding Value to Agricultural Production (*Programa de Desenvolvimento Cooperativo para Agregação de Valor à Produção Agropecuária – PRODECOOP*):** funding for storage and irrigation at interest rates of 3.5% p.a. and at 5.5% in all other operations.
- **Capitalization of Agricultural Cooperatives Program (*Programa de Capitalização de Cooperativas Agropecuárias – PROCAP-AGRO*):** credit for working capital at an interest rate of 6.5% p.a., and for full payment of shares at an interest rate of 5.5% p.a.

**Irrigation:** R\$ 400 million available to finance the implementation of irrigation systems. The interest rate has fallen from 5.5% to 3.5% p.a., and the repayment period has been extended from 12 to 15 years.

## FAMILY AGRICULTURE HARVEST PLAN 2013/2014 (*PLANO SAFRA DA AGRICULTURA FAMILIAR 2013/2014*)

LAUNCHED IN 2003, THE FAMILY AGRICULTURE HARVEST PLAN CELEBRATES ITS 10<sup>TH</sup> ANNIVERSARY. THE NATIONAL PROGRAM FOR STRENGTHENING FAMILY AGRICULTURE (PRONAF) FUNDS RECORD A 290% INCREASE OVER THE PERIOD

## NATIONAL AGENCY OF TECHNICAL ASSISTANCE AND RURAL EXTENSION (*AGÊNCIA NACIONAL DE ASSISTÊNCIA TÉCNICA E EXTENSÃO RURAL – ANATER*) IN OPERATION

The aim of Anater is to integrate technical assistance and research, thus increasing the number of farmers with access to knowledge and innovation, regardless of their size. It will operate jointly with the Brazilian Agricultural Research Corporation (*Empresa Brasileira de Pesquisa Agropecuária – Embrapa*) and other research institutions in promoting the dissemination and transfer of the technologies developed. The partnership aims to enhance the production, productivity, and quality of agricultural products, as well as to improve income and sustainable development in rural areas and expand storage capacity by 65 million tons.



PORTAL OF THE GOVERNMENT OF THE STATE OF SÃO PAULO

**National Program for Strengthening Family Agriculture (*Programa Nacional de Fortalecimento da Agricultura Familiar – Pronaf*):** R\$ 21 billion in loans on special terms, an increase of 17% compared to the previous harvest. Access to Pronaf is granted to farmers with annual income of up to R\$ 360,000.

- **Production financing:** 25% increase in the financing limit, from R\$ 80,000 to R\$ 100,000. Interest rates range from 1.5% to 3.5% p.a.
- **Investment:** increase in financing limit from R\$ 130,000 to R\$ 150,000 and to as much as R\$ 300,000 for activities that require greater fund mobilization, such as pig and poultry farming and fruit growing. For group investments the limit is R\$ 750,000. Interest rates are of up to 2% p.a., with a three-year grace period and up to 10 years for repayment.
- **Pronaf Innovation:** funding at 2% p.a. interest rate for the purchase of equipment and the adoption of technological innovations. Support will prioritize the so-called greenhouse cultivation of fruits and vegetables, improvements in poultry and pig farming and automation of milk production.
- **Pronaf B:** family farmers with annual gross income of up to R\$ 10,000 may borrow up to R\$ 3,500 through Pronaf B. In the last harvest this limit was R\$ 2,500.

**Family Agriculture Insurance (*Seguro da Agricultura Familiar – SEAF*):** the insurance benefits all family farmers with production financing loans through Pronaf. Adhesion is automatic and includes all crops with climatic zoning. It guarantees the loan installments payment and also an income percentage in cases of losses due to severe weather conditions.

**Family Agriculture Price-Guarantee Program (*Programa de Garantia de Preços da Agricultura Familiar – PGPAF*):** 49 products will be covered in the current harvest. The program guarantees a discount on payment of loans under Pronaf Costing or Pronaf Investment, in cases where the price of the product falls below the guaranteed price calculated by Conab.

**Food Acquisition Program (*Programa de Aquisição de Alimentos – PAA*):** R\$ 1.2 billion will be available for the purchase of family agriculture products. The annual limits per family have increased from R\$ 4,500 to R\$ 5,500, and may reach R\$ 6,500 for farmers linked to cooperatives. In cases where at least 50% of cooperative members are included in the Unified Registry for Social Programs (*Cadastro Único para Programas Sociais*) or the products

are exclusively organic, agroecological or from socio-biodiversity, this limit will rise to R\$ 8,000.

**National School Nutrition Program (*Programa Nacional de Alimentação Escolar – PNAE*):** R\$ 1 billion will be available for the purchase of family agriculture products. At least 30% of the resources allocated to school meals should be used to purchase products from family agriculture or from agrarian reform settlers.

### HARVEST PLAN FOR THE SEMIARID REGION 2013-2014 (*PLANO SAFRA DO SEMIÁRIDO 2013/2014*)

The Harvest Plan for the Semi-arid Region (*Plano Safra do Semiárido*) will benefit 1.6 million farmers living in that area. R\$ 7 billion in loans will stimulate actions to facilitate coexistence with the semi-arid region, such as strengthening of crops and livestock better adapted to water conditions in the region and adopting production systems with water reserves.



### Family agriculture

**Credit:** R\$ 4 billion in loans at subsidized interest rates. Funds invested in production financing will have annual interest rates between 1% and 3%. For investments, interest rates will be up to 1.5% p.a., plus a three-year technical assistance warranty. In rural micro-credit operations, interest rates will be 0.5% p.a.

**Government procurement:** R\$ 1.3 billion will be available for the purchase of family agriculture products, with R\$ 700 million in the PAA and R\$ 600 million in the PNAE. A new PAA modality will earmark R\$ 100 million for the purchase of animal feed products, and R\$ 50 million for the purchase of seeds and seedlings to be distributed free of charge to producers in the semiarid region.

**Harvest Guarantee (*Garantia Safra*):** 1.2 million farmers in the semiarid region will have their income guaranteed in the event of at least 50% loss of production.

**Price Guarantee (PGPAF):** higher minimum price adjustment for traditional products from semiarid agriculture such as goat and sheep meat (from R\$ 8.64 to R\$ 9.94 per kilo), milk (from R\$ 0.86 to R\$ 1.00 per liter), and cassava (from R\$ 161.41 to R\$ 188 per ton).

**Family Agriculture Insurance (SEAF):** reduction in the insurance premium rate from 2% to 1% for farmers with production financing operations.

**Technical Assistance and Rural Extension (*Assistência Técnica e Extensão Rural – Ater*):** guaranteed to 347,000 farmers to encourage the adoption of production systems adapted to semiarid conditions, ensuring water and feed reserves for the herd.

**Fostering:** R\$ 3,000 in non-reimbursable funds per family and technical assistance to 30,000 families enrolled in the Brazil without Extreme Poverty (*Brasil sem Miséria*) Plan that already have access to water for production.

## Medium and small farmers

**Credit:** R\$ 3 billion in credit at subsidized interest rates. Medium producers will have access to credit for production financing at an interest rate of 4% p.a., and to credit for investment at an annual interest rate of 2%. For large producers, the rates are 5% for investment and 2% for production financing.

**Insurance:** 3% to 2% reduction in the rate for insurance linked to production financing loans of up to R\$ 300,000.

**Technical assistance:** R\$ 10 million to ensure technical assistance to medium rural producers.

**Storage:** 300,000 tons increase in installed capacity in the semiarid region through the construction of four new Conab warehouses and modernization of another 18.

## SPECIAL CONDITIONS FOR DEBT DISCHARGE AND RENEGOTIATION

**Deferment of payment:** 10-year deferment on debt installments maturing in 2012, 2013 and 2014. The first payment will be due in 2016 in the case of Pronaf, and in 2015 for the other credit lines, with an 80% discount on Pronaf operations.

**Suspension of debt collection:** the debts of farmers in the semiarid region have been suspended until December 2014 and cannot be executed by the banks.

### Loans contracted by 2006

**Discount on discharge:** farmers who choose to pay debts contracted by 2006 will be given a discount, which varies according to the amount of the debt:

- Up to R\$ 15,000: discount up to 85%;
- Between R\$ 15,000 and R\$ 35,000: discount up to 75%;
- Between R\$ 35,000 and R\$ 100,000: discount up to 50%.

**Debt restructuring:** new credit line to restructure debts of up to R\$ 200,000. Farmers will have a 10-year repayment period and a grace period of up to three years. For debts up to R\$ 35,000, farmers will receive a 15% payment compliance bonus.

**Loans contracted between 2007 and 2011:** loans contracted between 2007 and 2011 and which were in default in December 2011 may also be renegotiated. Farmers will have up to 10 years to discharge the debt, with a 3-year grace period.

In addition to special conditions for renegotiating debts, sugarcane producers in the Northeast will receive a R\$ 12 subsidy per ton, limited to 10 tons per producer. Ethanol producers in the region will also benefit from a R\$ 0.20 subsidy per liter produced.

# Federal Government invests in structuring projects and emergency actions

Water supply and support to producers and the population to reduce impacts

Actions to overcome the effects of drought in the Northeast and Minas Gerais started in April 2012, catering to 1,133 municipalities in the semiarid region and 307 others in emergency situation due to drought.

The measures, which are implemented in partnership with states and municipalities, combine emergency actions that provide immediate support to the affected population, with structuring actions aimed at increasing water supply, thus enhancing capacity to cope with drought.

## WATER SUPPLY

### Water Truck Operation (*Operação Carro Pipa*)

Currently there are 7,718 water trucks distributing drinking water to people in areas affected by drought in 1,126 municipalities. Of these trucks, 5,365 are contracted by the Federal Government and operate under the coordination of the Army, and other 2,353 are contracted by state governments.

### Water for All (*Água para Todos*)

#### Cisterns

**Consumption:** 339,100 cisterns installed between June 2011 and June 2013. Another 144,000 will be delivered by December 2013.

**Production:** 14,600 cisterns delivered between June 2011 and June 2013. Another 25,000 will be delivered by December 2013.

#### Rehabilitation of Wells

The rehabilitation and construction of water wells in critical areas is secured by transfer of federal funds to the states.

**Deep Wells:** 21 large-flow wells will be drilled by the Geological Service of Brazil (*Serviço Geológico do Brasil* - CPRM), all with deliveries scheduled by November 2013. Four of them are under construction in the municipalities of Canudos (Bahia), Euclides da Cunha (Bahia), Apodi (Rio Grande do Norte) and Serra Talhada (Pernambuco).

**Wells:** 303 wells with water supply and distribution in rural communities have been installed or rehabilitated by state governments, of a total of 2,545 planned.

## PAC EQUIPMENT

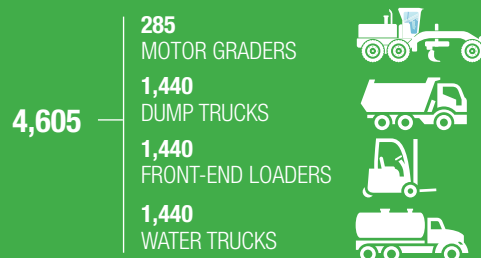
The action will benefit 1,440 municipalities with a five-machine kit: backhoe, motor grader, dump truck, front-end loader and water truck.

### EQUIPMENT

#### EQUIPMENT DELIVERED



#### EQUIPMENT TO BE DELIVERED



SOURCE: MINISTRY OF AGRARIAN DEVELOPMENT



The equipment allows the opening and maintenance of local roads, facilitates the transport and flow of production and helps the implementation of works to cope with drought, such as the construction and maintenance of small dams, wells and mud pits.

## SUPPORT FOR RURAL PRODUCERS

The Federal Government has taken measures to support farmers affected by drought through the guarantee of income to affected families and a cattle feeding subsidy.

**Drought Grant (*Bolsa Estiagem*):** the grant benefits 1.1 million families in 1,398 municipalities in emergency situation, totaling R\$ 887 million disbursed between July 2012 and June 2013.

**Harvest Guarantee (*Garantia Safra*):** until June, 769,000 farmers had been assisted in 1,015 municipalities, with the payment of insurance on the 2011/2012 harvest. For the 2012/2013 harvest, the action has already registered 971,000 farmers in 1,113 municipalities, who will be eligible to benefit from the insurance against crop loss.

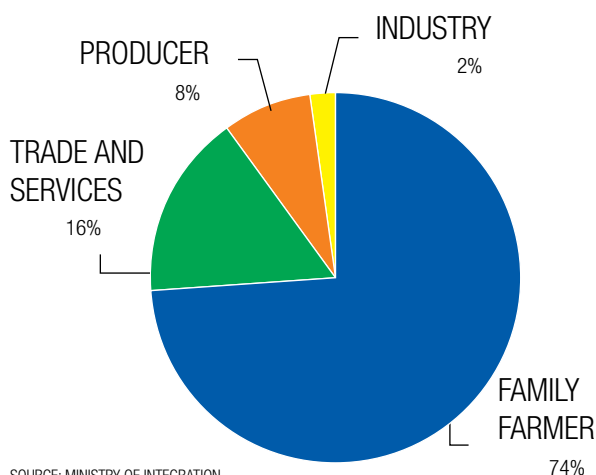
**Corn sales:** 160,000 farmers assisted with the sales of 579,000 tons of corn through direct purchase from the producer by the National Supply Company (*Companhia Nacional de Abastecimento – Conab*) at subsidized prices.

## EMERGENCY LOAN

A total of 386,000 emergency credit line operations have been contracted in 1,449 municipalities, totaling R\$ 2.7 billion.

Credit granting enables investment, working capital and funding of agricultural and livestock production for

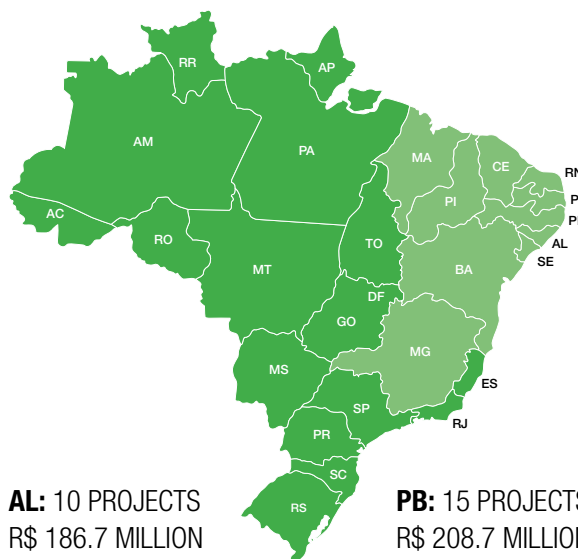
## LOAN BY BORROWER



rural producers, traders, service providers, agro-industrial companies and industry owners affected by drought. The credit limit varies from R\$ 2,500 to R\$ 100,000, at annual interest rates of 1% to 3.5%.

## PAC DROUGHT

A total of 188 structuring projects have been selected to increase water supply in the semiarid region and improve the conditions of the population to cope with the effects of drought.



**AL:** 10 PROJECTS  
R\$ 186.7 MILLION

**BA:** 38 PROJECTS  
R\$ 697.5 MILLION

**CE:** 42 PROJECTS  
R\$ 306.0 MILLION

**MA:** 4 PROJECTS  
R\$ 43.9 MILLION

**MG:** 24 PROJECTS  
R\$ 200.2 MILLION

**TOTAL:** 188 PROJECTS  
R\$ 2,696.0 MILLION

**PB:** 15 PROJECTS  
R\$ 208.7 MILLION

**PE:** 20 PROJECTS  
R\$ 273.0 MILLION

**PI:** 17 PROJECTS  
R\$ 452.4 MILHÕES

**RN:** 15 PROJECTS  
R\$ 170.9 MILLION

**SE:** 3 PROJECTS  
R\$ 156.7 MILLION

SOURCE: MINISTRY OF PLANNING

## CIVIL DEFENSE

A total of R\$ 340.57 million have been authorized for state and municipal governments to provide aid and assistance to people affected by drought and for the restoration of essential services, of which R\$ 260.57 million have already been paid through the Civil Defense Payment Card (*Cartão de Pagamento da Defesa Civil*).



# Combating violence against women

## Integrated services for assistance and protection of women

The Women: Living without Violence (*Mulher: Viver sem Violência*) Program was launched in March 2013, with the aim to strengthen the fight against violence affecting Brazilian women and ensure the access of women victims of violence to comprehensive and humanized assistance through the following strategies:

- Structuring of the Brazilian Women's House (*Casa da Mulher Brasileira*).
- Expansion of the Women's Service Center Hotline – Dial 180 (*Central de Atendimento à Mulher - Disque 180*).
- Organization of assistance to victims of sexual violence.
- Expansion of Service Centers in dry borders.
- Promotion of awareness campaigns.

A total of R\$ 265 million will be invested by 2014 for the coordination of public services, integrating the areas of security, justice, health, social assistance and counseling in the areas of labor, employment and income.

The decentralized and intersectoral management of the program will require the participation of states and municipalities and cooperation with state-level Courts of Justice, Public Prosecution Services and Public Defender's Offices.

The Federal District has already signed the program's Participation Agreement. Another six states are expected to join the program by the end of August: Paraná, Bahia, Espírito Santo, Minas Gerais, São Paulo and Paraíba.

### BRAZILIAN WOMEN'S HOUSE (CASA DA MULHER BRASILEIRA)

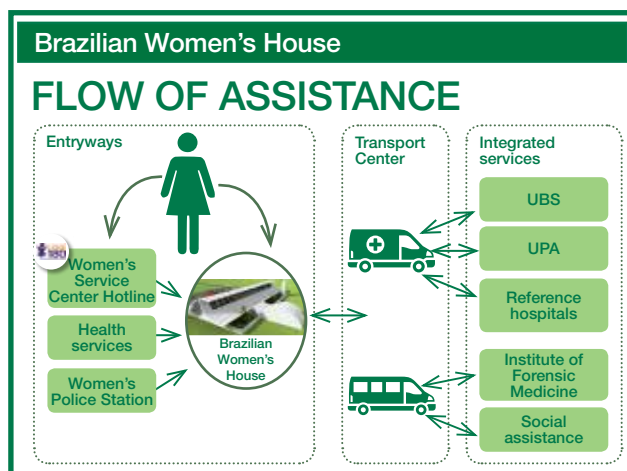
The Brazilian Women's House will concentrate in the same physical space the main areas of assistance to women, thus ensuring access to qualified and humanized service.

The House will comprise specialized police stations, courts, public defender's offices and prosecution services; multidisciplinary teams in the fields of psychology, social work, sociology and education; playrooms; conviviality areas; temporary shelter beds;

and a Transport Center open 24/7 for referral to external services.

The House will also provide the Service to Promote Women's Economic Autonomy (*Serviço de Promoção da Autonomia Econômica das Mulheres*), with counseling teams on employment and income related issues, as well as information on job openings under the National Employment System (*Sistema Nacional de Emprego – Sine*), civil documentation, professional training and inclusion of assisted women in the various social programs of the Federal Government.

Brazilian Women's Houses will be established in all 27 capitals.



### WOMEN'S SERVICE CENTER HOTLINE (CENTRAL DE ATENDIMENTO À MULHER)

Since its inception in 2007, the Women's Service Center Hotline – Dial 180 has provided assistance to more than three million people. The expansion of the Center aims to increasingly democratize people's access to this reporting mechanism and improve the production of data and indicators on violence against women.

To that end, the service structure of the Central will be expanded, and the Integrated System of Assistance to

Women (*Sistema Integrado de Atendimento às Mulheres* – SIAM) will be enhanced to consolidate the records of assistance provided by all services within the assistance network. The center will also operate as a hotline, with the possibility of immediate contact with the Military Police and emergency ambulances.

The Dial 180 service will be extended to another 10 countries by the end of 2014. Currently, the service is available for Brazilian women living in Spain, Italy and Portugal.

### ASSISTANCE TO VICTIMS OF SEXUAL VIOLENCE

The main goal of the organization of assistance to victims of sexual violence is to humanize and qualify this service.

Reference hospitals will have technical-operational conditions to collect and store evidence material to support investigations and judicial proceedings in cases of sexual violence.

#### GUIDELINE FOR ASSISTANCE:

- Humanized sheltering and assistance;
- Qualified listening environment and guaranteed privacy during assistance;
- Prior information to women about the service and the importance of medical, multidisciplinary and police conduct;
- Identification and guidance to women on reference services and on the units of the rights guarantee system;
- Availability of transportation 24/7 to reference services; and
- Training of public security and health professionals.

### ASSISTANCE IN BORDER AREAS

Women's Service Centers in dry border regions will be expanded and operate seamlessly in the prevention and assistance to victims of violence, considering the specificities of the region and the guarantee of these women's rights.

Bilateral cooperation agreements will be signed with bordering countries, with a view to implementing converging public policies. Currently, there are three centers in border regions and six new services will be created.



#### DUTIES OF ASSISTANCE CENTERS:

- Welcome mainly migrant women in situation of violence;
- Identify and refer cases of trafficking in women and other human rights violations;
- Indicate services available for support, integral assistance and promotion of autonomy;
- Provide guidance on the regularization of documents, access to the formal labor market, and social and professional training programs;
- Provide humanized, qualified and effective psychological, social and legal assistance;
- Contribute to the prevention of gender-based violence and trafficking in women;
- Produce data on cases assisted;
- Permanent training of professionals.

### AWARENESS CAMPAIGNS

The campaigns seek to develop equal values between women and men, as well as to denaturalize and address all forms of violence against women.

Scheduled to be held quarterly starting in August, the campaigns should promote an ongoing dialogue with society on the theme, in order to intervene in cultural patterns and enable behavior change.

# Federal Government enhances dialogue with states and municipalities to accelerate investment

More funds for works and service improvement

## STATE-LEVEL MEETINGS WITH NEW MAYORS

To complement the National Meeting with New Mayors (*Encontro Nacional com Novos Prefeitos e Prefeitas*) held in January of this year, the Federal Government initiated a cycle of events in all states, in partnership with state governments and municipal associations.

The goal is to guide managers and clarify their doubts about the commissioning and implementation of federal programs, thus accelerating investments to benefit the population. Funding opportunities for local projects are also being addressed.

Meetings have already been held in 12 states (Sergipe, Mato Grosso do Sul, Espírito Santo, Mato Grosso, Rio de Janeiro, Piauí, Rio Grande do Norte, Pará, Paraná, Ceará, Tocantins and São Paulo), with the mobilization of more than 14,000 municipal managers and 1,542 mayors, in addition to ministries and various federal agencies.

## Federal representations in states coordinate to strengthen federative dialogue

To facilitate the submission of demands from state and municipal managers to the Federal Government, Federal Managers' Forums have been in operation in the states since last March. These forums bring together Federal Government representatives based in each state, for the purpose of assisting local governments in solving common problems. As a result, outstanding issues could be resolved in a faster, more economical and easier way.

To date, 11 forums have been established, with 334 federal agencies involved.

## PAC EQUIPMENT

Altogether, 5,061 municipalities will benefit from 18,073 pieces of equipment, with investments worth R\$ 5 billion. All municipalities will receive one backhoe, one motor grader and one dump truck.

The delivery of machines for improving local roads has reached 3,000 municipalities with population under 50,000 or located in the semi-arid region. The 1,440 municipalities affected by drought are being prioritized, and will also receive water trucks and front-end loaders.



## TAX EXEMPTIONS ENABLE REDUCING PUBLIC TRANSPORT FARES

In May, PIS/COFINS exemption was granted on public road, rail and subway transportation services, eliminating the 3.65% rate on the billing of transportation companies.

This measure complements the one provided for in law 12,715/2012 that reduced payroll taxes for public road transportation companies by replacing the 20% contribution on payroll with the payment of 2% of the revenue. The reduction in payroll taxes on public subway and rail transportation services was also proposed in July, to be effective starting from January 2014.

As a result of these tax reductions, corporate costs have been reduced by 7.23 percentage points (pp) in the case of buses, and by 10.75 pp in the case of trains and subways.

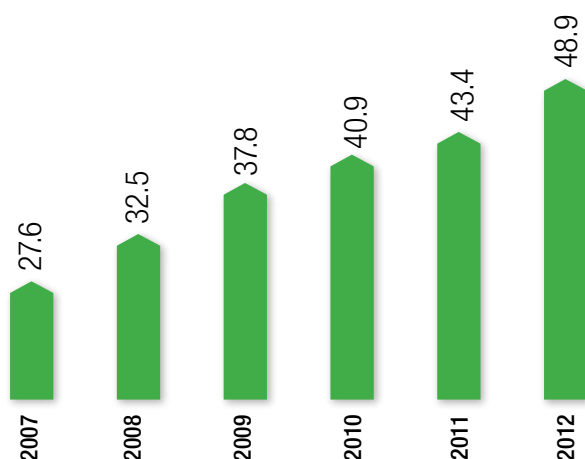
## INCREASED TRANSFERS IN THE HEALTH SECTOR

Over the past five years, federal budget resources transferred from fund to fund have experienced year by year increases.

Transfers to fund primary, middle and high complexity care have increased 77.2% over the past five years, reaching R\$ 48.9 billion in 2012.

## TRANSFER TO PRIMARY, MEDIUM AND HIGH COMPLEXITY CARE

FUND TO FUND – IN R\$ BILLION



SOURCE: MINISTRY OF HEALTH – SAGE

## FEDERAL GOVERNMENT ANNOUNCES NEW MEASURES FOR MUNICIPALITIES

The announcement was made in July, during the XVI March to Brasília in Defense of Municipalities (*XVI Marcha a Brasília em Defesa dos Municípios*). A total of R\$ 3 billion will be paid in two installments, in August 2013 and April 2014, on a non-binding basis, for funding public services. This amount corresponds to 1% of the annual Municipalities Participation Fund (*Fundo de Participação dos Municípios* – FPM). Other measures involve:

- Increase in the transfer of the Basic Health Care Floor (*Piso de Atenção Básica* – PAB) by R\$ 600 million a year.
- Direct access to the My House My Life (*Minha Casa Minha Vida*) Program by all municipalities with population under 50,000, with no selections, and investments worth R\$ 4.7 billion for the construction of 135,000 new dwellings.
- R\$ 3 billion between 2013 and 2014 earmarked for the More Doctors (*Mais Médicos*) Program to be invested in the payment of physicians, nursing staff, oral health teams and in the maintenance of health clinics.
- Construction, expansion or renovation of Basic Health Units (*Unidades Básicas de Saúde* – UBS) and Emergency Care Units (*Unidades de Pronto Atendimento* – UPA), with investments worth R\$ 5.5 billion.
- Construction of an additional 2,200 daycare centers and early childhood education schools, with the allocation of R\$ 3.6 billion.



ERASMO SALOMÃO/PAZ



# Brazil and the World



# Brazil and the World

Balance between multilateral, regional and bilateral actions is the hallmark of the period

## MULTILATERAL AND REGIONAL AGENDA

### V BRICS Summit

The Summit of BRICS countries – Brazil, Russia, India, China and South Africa – was held in Durban (South Africa), on March 27. The Heads of State and Government decided to establish a Contingent Reserve Arrangement (CRA) worth US\$ 100 billion. They also committed themselves to the creation of a new Development Bank to be led by the five countries, with the aim of financing infrastructure and sustainable development projects. On the initiative of South Africa, BRICS leaders met with African leaders at an event titled “Unleashing Africa’s Potential: Cooperation between BRICS and Africa in Infrastructure.” Brazil will host the next BRICS Summit in 2014.

### Extraordinary Summit Meeting of UNASUR and presidential elections in Venezuela

The Extraordinary Meeting of Heads of State and Government of the Union of South American Nations (UNASUR) was held in Lima (Peru), on April 18. The meeting discussed the situation in Venezuela and supported the democratic process and institutional stability in that country, in the wake of the presidential elections of April 14.

### Golden Jubilee of the African Union

On 25 May, in Addis Ababa, capital of Ethiopia, Brazil participated as a special guest in the celebration of the Golden Jubilee of the African Union, an organization that assumes increasing importance in the search for solutions to issues of the continent, in the process of democratization and institutional strengthening of the region. On the occasion, it was announced the intention to grant debt relief to twelve African countries in relation to Brazil, as well as the establishment of BNDES credit lines to support

new investments in Africa. Brazil is one of the countries with the strongest diplomatic presence in Africa, with 37 embassies and technical cooperation projects that benefit 43 countries on the continent.

## 43<sup>RD</sup> OAS GENERAL ASSEMBLY

Brazil participated in the 43<sup>rd</sup> OAS General Assembly in Antigua (Guatemala), from 4<sup>th</sup> – 6<sup>th</sup> June 2013, under the theme “For a Comprehensive Policy against the World Drug Problem in the Americas”. At the time, the country supported the initiation of the process to reform the Organization and strengthen the Inter-American Human Rights System. Outcomes of the meeting include:

- Approval of the Resolution on Human Rights, Sexual Orientation and Gender Identity and Expression;
- Approval of the Inter-American Convention against Racism, Racial Discrimination and Related Forms of Intolerance;
- Approval of the Inter-American Convention against All Forms of Discrimination and Intolerance.

Brazil was one of the first nations to accede to the Conventions, signing them still during the meeting in Antigua. In 2005, the country introduced the draft resolution that would create the Working Group responsible for drafting these international treaties.

### Signing of the Arms Trade Treaty

In a ceremony held at the United Nations Headquarters in New York on June 3<sup>rd</sup>, Brazil signed the Arms Trade Treaty, along with another 60 countries. The country participated actively in the negotiation of this treaty from its earliest phases, supporting the regulation of international transfers of conventional arms, in order to reduce the possibility of these arms being diverted to the illegal market, therefore precluding them from contributing to internal conflicts and promoting armed violence.

### Signature of the treaty on copyright and accessibility for reading printed texts

On June 28 Brazil signed in Marrakesh (Morocco) the Treaty on Limitations and Exceptions to Copyright for the Benefit of Blind, Visually Impaired, and Reading Disabled Persons. The country was one of the sponsors of the proposal that led to the treaty. Currently, less than 1% of works published worldwide are converted into formats accessible to the 314 million people with visual impairment.

### Election to the Statistical Commission

Brazil was elected to the United Nations Statistical Commission for the period 2014-2017. The Commission is the main decision making forum for international statistical activities, influencing the definition of economic and

social indicators. Its activities will be of particular relevance in the context of the definition of indicators related to the Sustainable Development Goals agreed at the Rio+20 Conference, and in the monitoring of the Millennium Development Goals.

### BRAZILIANS ARE ELECTED TO INTERNATIONAL ORGANIZATIONS

On May 14, 2013, Ambassador **Roberto de Azevêdo** was chosen as Director-General of the World Trade Organization for the period 2013-2017.

On June 3, 2013, Ambassador **José Augusto Lindgren Alves** was re-elected to the UN Committee on the Elimination of Racial Discrimination.

On June 6, 2013, the former Chief Minister of the Human Rights Secretariat **Paulo de Tarso Vannuchi** was elected to the OAS Inter-American Commission on Human Rights.

Brazilian Army General **Carlos Alberto dos Santos Cruz** was appointed force commander of the UN Mission for Stabilization in Democratic Republic of Congo.



Extraordinary UNASUR Summit Meeting held in Lima (Peru) in April 2013

## BILATERAL AGENDA

### Visits to Venezuela

On March 7, there was an official visit to Caracas, on the occasion of President Hugo Chavez's funeral. On April 19, there was another official visit to Caracas for the inauguration of the new President of Venezuela.

### Visit to the Vatican

On March 19, Brazil was present in the inaugural Mass of the Pontificate of His Holiness Pope Francis, held in St. Peter's Square, Vatican City.

### Visit to Argentina

In the official visit to Argentina on April 25, the highlights were the strategic partnership between the two countries and the importance of the fluid relationship between Brazil and Argentina in the regional context, in addition to the relevance of concerted action to strengthen MERCOSUR, UNASUR and CELAC.

### Visit to Ethiopia

There was an official visit to Ethiopia in the context of the Golden Jubilee of the African Union. On April 24, in a meeting with the Prime Minister of Ethiopia, four cooperation agreements were signed in the areas of agriculture; science, technology and innovation; education; and air services.

### Visit to Portugal

There was an official visit to Portugal on June 10<sup>th</sup>, on the occasion of Portugal's national day. In Lisbon, meetings were held with the President and the Prime Minister, with whom the XI Summit Brazil-Portugal was celebrated. In a joint statement issued at the end of the meetings, the two countries reaffirmed their commitment to the full implementation of the Orthographic Agreement of the Portuguese Language.

The visit marked the end of the Year of Brazil in Portugal and of the Year of Portugal in Brazil, promoted between September 7, 2012 and June 10, 2013. The events celebrated the diversity and dynamism of contemporary cultural production in the two countries and established partnerships in the areas of science and technology.

### Visit of the Prime Minister of New Zealand

On March 11, the Prime Minister of New Zealand arrived in Brazil, in the first official visit of a New Zealand Head of Government to Brazil since 2001. Cooperation Agreements were signed in the areas of Science, Technology and Innovation, with the aim to support and complement the Science without Borders (*Ciência sem Fronteiras*) Program and the Air Services Agreement.

### Visit of the Egyptian President

The President of Egypt, Mohamed Morsi, visited Brazil between May 8 and 9, in the first visit of an Egyptian Head of State to the country. During the visit, technical cooperation agreements and memoranda of understanding were signed in the areas of social and agrarian development, in addition to a cooperation protocol between the National Library Foundation and the Library of Alexandria.

The Brazilian Government has been following the serious political situation in Egypt, where President Morsi was ousted on July 3<sup>rd</sup>, and called upon the local political forces for dialogue and reconciliation, so that the legitimate aspirations of the Egyptian people for freedom, democracy and prosperity can be achieved without violence and within the full force of the democratic order.

### Visit of the President of Venezuela

On May 9<sup>th</sup> the President of Venezuela arrived in Brazil on an official visit, continuing the sequence of periodic high-level meetings between officials of the two countries. Cooperation between Brazil and Venezuela includes productive integration initiatives, food security, public policy, health and social and technological development. In 2012, bilateral trade reached the historical record level of US\$ 6.05 billion, and exports of manufactured goods to Venezuela accounted for 65% of Brazilian exports.

### Visit of the German President

A work meeting was held with the President of the Federal Republic of Germany on May 13<sup>th</sup>. On the occasion, the two presidents attended the opening ceremony of the 31<sup>st</sup> Brazil-Germany Economic Meeting, an event traditionally organized by the National Confederation of Industry and the Federation of German Industries.



SHUTTERSTOCK

### Visit of the Vice-President of the United States

The Vice-President of the United States visited Brazil on May 31<sup>st</sup>. On the occasion, officials from the two countries discussed the prospects for bilateral cooperation in the areas of energy, defense, education, science and technology, and trade and investment.

### ECONOMIC AND COMMERCIAL ISSUES

#### Opening of the Japanese market to pork from Santa Catarina

On May 24<sup>th</sup>, after eight years of negotiations, the conclusion of the process for the opening of the Japanese market to fresh pork from Santa Catarina – which has been declared free of FMD without vaccination – was formalized.

In early June 2013, eight Brazilian establishments had been authorized to export to Japan, which is the largest importer of pork in the world with about 780,000 tons in 2012. Preliminary estimates by the sector in Brazil predict annual exports to Japan worth US\$ 200 million.

#### Authorization for the marketing of GM Intacta RR soybeans

The authorization to export soybeans produced with the GM seed of the Intacta RR type to China was confirmed in June. More resistant to pests, the new seed enables important productivity gains to Brazilian producers.

### CONSULAR ACTIVITY

#### Entry of Haitians in Brazil

The Brazilian government has established a Task Force in the border region of Acre to provide health care services, migration and document regularization and registration to migrants included in social assistance programs of the Federal Government. Among the measures adopted in the period is the decision to eliminate the annual ceiling of up to 1,200 visas granted, set by the National Immigration Council. The decision aims to organize and manage the Haitian demand for emigration to Brazil; discourage illegal migration; combat the networks of “coyotes” that have worked on the routes of entry of Haitians into Brazilian territory; and prevent Haitian citizens from being exposed to safety and health risks in search of an opportunity in Brazil.

#### Return Portal (Portal do Retorno)

To support the process of return of Brazilian emigrants, often hastened due to the economic crisis experienced by host countries and hampered by long periods spent away from Brazil, the Ministry of External Relations has developed the Return Portal website (*Portal do Retorno*) ([retorno.itamaraty.gov.br](http://retorno.itamaraty.gov.br)).

The Portal contains useful information on documentation, employment, and support for the opening of small businesses, professional training, financial education, and social security among other practical topics of interest to Brazilians abroad that are in the process of returning to the country.



# Normative Agenda



## ECONOMIC AND FINANCIAL

### PROVISIONAL PRESIDENTIAL DECREES

610 of 4.2.2013	<ul style="list-style-type: none"> <li>• Extends the Harvest Guarantee Benefit to the 2011-2012 harvest.</li> <li>• Extends the Financial Emergency Aid related to disasters occurred in 2012.</li> <li>• Authorizes the distribution of corn for sale to small farmers.</li> </ul>
612 of 4.4.2013	<ul style="list-style-type: none"> <li>• Restructures the legal model of organization of customs facilities in secondary zone.</li> <li>• Reduces to zero the rates of PIS/COFINS contributions levied on compensations arising from electricity generation, transmission and distribution.</li> <li>• Provides for pecuniary penalty for noncompliance with the INOVAR-AUTO Program.</li> </ul>
613 of 5.7.2013	<ul style="list-style-type: none"> <li>• Establishes presumed PIS/COFINS tax credit on the sale of alcohol.</li> </ul>
615 of 5.17.2013	<ul style="list-style-type: none"> <li>• Authorizes the payment of subsidy to sugarcane and ethanol producers in the Northeast region in the 2011/2012 harvest and the financing of renewal and implementation of sugarcane plantations with equalized interest rates.</li> <li>• Provides for payment arrangements and payment institutions included in the Brazilian Payment System (SPB).</li> <li>• Authorizes the Federal Government to issue federal public debt securities.</li> </ul>
617 of 5.31.2013	<ul style="list-style-type: none"> <li>• Reduces to zero the rates of PIS/COFINS contributions levied on revenue from the provision of municipal public bus, subway and rail passenger transportation services.</li> </ul>
618 of 6.5.2013	<ul style="list-style-type: none"> <li>• Provides for the granting of Federal Government guarantee to entities indirectly controlled by entities of the Federation.</li> <li>• Authorizes increase in the capital stock of VALEC – <i>Engenharia, Construções e Ferrovias S.A.</i></li> <li>• Changes the calculation of the real net income of municipalities.</li> <li>• Authorizes the Federal Government to grant credit to BNDES.</li> <li>• Promotes energy cooperation actions with Latin American countries.</li> </ul>
620 of 6.12.2013	<ul style="list-style-type: none"> <li>• Provides for the financing of consumer durables for beneficiaries of the My House My Life Program, under the My Better House Program, and establishes an additional source of funds for Caixa.</li> </ul>

### LAWS

12793 of 4.2.2013	<ul style="list-style-type: none"> <li>• Provides for the Development Fund of the Central-West (FDCO).</li> <li>• Authorizes the Federal Government to provide economic subsidy to official federal financial institutions, in the form of equalization of interest rates in loans for investment under the FDCO.</li> <li>• Provides for operations with resources from Constitutional Funds for the Financing of the North, Northeast and Central-West regions.</li> </ul>
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- Establishes an additional source of funds for expanding the operational limits of Caixa and Banco do Brasil.
- Extends to the Central-West existing tax incentives in favor of the North and Northeast regions.

**12794 of  
4.2.2013**

- Changes the social security contribution of companies in the industry and service sectors.
- Authorizes depreciation of capital goods in the calculation of income tax.
- Establishes the Special Regime of Incentive to the Infrastructure Development of the Fertilizer Industry.
- Provides for the scope of the Special Tax Regime for the Defense Industry.
- Changes the rate of PIS/COFINS contribution levied on orange sales.
- Reduces income tax payable by autonomous providers of cargo transport services.

**12806 of  
5.7.2013**

- Authorizes payment of an additional amount to the Harvest Guarantee Benefit for the 2011/2012 harvest.
- Extends to 2012 the Emergency Financial Aid.

**12810 of  
5.15.2013**

- Provides for the payment in installments of debts relating to social security contributions under the responsibility of states, Federal District and municipalities.

**12814 of  
5.16.2013**

- Provides for authorization to grant economic subsidy in financing transactions aimed at the acquisition and production of capital goods and technological innovation and in logistics infrastructure projects targeted to works in roads and railways that are the object of concession by the Federal Government.
- Provides for the granting of economic subsidy in financing operations for different sectors of the economy.
- Provides for the granting of an economic subsidy in funding aimed at beneficiaries living in municipalities affected by natural disasters.

**12822 of  
6.5.2013**

- Provides credit to the Central Bank of Uruguay in the form of contingency margin reciprocally granted under the Local Currency Payment System (SML).

**12832 of  
6.20.2013**

- Reduces the income tax rate on employee participation in the company's profits and results.
- Provides for legislation on the income tax of individuals.

**12833 of  
6.20.2013**

- Provides for the Development Fund of the Central-West (FDCO).
- Establishes a source of funds for expanding the operational limits of Caixa.

## DECREES

**7950 of  
3.12.2013**

- Establishes the National Bank of Genetic Profiles and the Integrated Network of Banks of Genetic Profiles.

**7956 of  
3.12.2013**

- Amends the regulation of the Food Acquisition Program (PAA).

**7969 of  
3.28.2013**

- Extends the validity of eligibility to INOVAR-AUTO.

**7970 of  
3.28.2013**

- Regulates the establishment of special rules for the purchase, commissioning, and development of defense products and systems.

7971 of 3.28.2013	<ul style="list-style-type: none"> <li>Amends the IPI-TIPI Tax Rate Table for vehicles.</li> </ul>
7976 of 4.1.2013	<ul style="list-style-type: none"> <li>Establishes the Brazilian Agency Guaranteeing Investment Risk (ABGF) and specifies its initial capital stock.</li> </ul>
7977 of 4.2.2013	<ul style="list-style-type: none"> <li>Provides for the allocation of Federal Government funds to increase the amount of the Emergency Financial Aid for disasters and for the extension of the additional amount of the Harvest Guarantee benefit to the 2011/2012 harvest.</li> </ul>
7978 of 4.2.2013	<ul style="list-style-type: none"> <li>Authorizes the granting of compliance bonus for rural credit operations contracted under Pronaf, in municipalities in the area covered by Sudene.</li> </ul>
7990 of 4.24.2013	<ul style="list-style-type: none"> <li>Provides for the IPI rate in the domestic market and in imports related to cigarettes.</li> <li>Regulates the levying, inspection, collection and management of the IPI tax.</li> </ul>
7997 of 5.7.2013	<ul style="list-style-type: none"> <li>Provides for the establishment of a coefficient to reduce the specific rates of contributions to PIS/PASEP and of COFINS on the gross revenue obtained from the sale of alcohol, and establishes the amounts of the credits of these contributions that can be deducted in the acquisition of anhydrous alcohol to be added to gasoline.</li> </ul>
7998 of 5.7.2013	<ul style="list-style-type: none"> <li>Provides for the Regulation of the Development Fund of the Northeast region.</li> </ul>
8002 of 5.14.2013	<ul style="list-style-type: none"> <li>Provides for preference margins in the purchase of front-end loaders, crawler tractors and related products.</li> </ul>
8003 of 5.15.2013	<ul style="list-style-type: none"> <li>Promulgates the Agreement between the Government of the Federative Republic of Brazil and the Government of the United States of America for the Exchange of Information Relating to Taxes.</li> </ul>
8010 of 16.5.2013	<ul style="list-style-type: none"> <li>Provides for the regulation of the management of customs activities, the inspection, control and taxation of foreign trade operations.</li> </ul>
8015 of 5.17.2013	<ul style="list-style-type: none"> <li>Provides for the regulation of INOVAR-AUTO.</li> </ul>
8017 of 5.17.2013	<ul style="list-style-type: none"> <li>Reduces IPI rates on concentrated extracts of guaraná seeds, açai extract and fruit juices for the preparation of soft drinks and refreshments.</li> </ul>
8019 of 5.27.2013	<ul style="list-style-type: none"> <li>Provides for the Interministerial Committee for Evaluation of the Unified Taxation System (<i>Simples Nacional</i>).</li> </ul>
8020 of 5.29.2013	<ul style="list-style-type: none"> <li>Authorizes the transfer of funds from the Energy Development Account (CDE).</li> </ul>
8025 of 6.6.2013	<ul style="list-style-type: none"> <li>Provides for the Land and Agrarian Reform Fund.</li> </ul>
8026 of 6.12.2013	<ul style="list-style-type: none"> <li>Regulates the Food Acquisition Program (PAA).</li> <li>Provides for the Family Agriculture Price-Guarantee Program.</li> <li>Regulates the Program of Incentive to Rural Productive Activities.</li> </ul>
8035 of 6.28.2013	<ul style="list-style-type: none"> <li>Amends the IPI-TIPI rate table for stoves, refrigerators and furniture.</li> </ul>

## INFRASTRUCTURE

### PROVISIONAL PRESIDENTIAL DECREES

619 of 6.6.2013	<ul style="list-style-type: none"> <li>Regulates Federal Government action in the modernization, construction, expansion or renovation of warehouses for the storage and maintenance of agricultural products.</li> <li>Provides for the special insured status and timelines for rural lien.</li> <li>Assigns force of public deed to financing contracts under the Land and Agrarian Reform Fund.</li> <li>Establishes the National Program to Support the Capture of Rain Water and Other Social Technologies of Access to Water (Cisterns Program).</li> </ul>
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### LAWS

12815 of 6.5.2013	<ul style="list-style-type: none"> <li>Provides for the direct and indirect exploitation by the Federal Government of ports and port facilities, and for activities carried out by the operators.</li> </ul>
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### DECREES

7980 of 4.8.2013	<ul style="list-style-type: none"> <li>Defines actions under the Growth Acceleration Program (PAC) to be carried out through compulsory transfer.</li> </ul>
7983 of 4.8.2013	<ul style="list-style-type: none"> <li>Establishes rules and criteria for the reference budgeting of engineering works and services commissioned and executed with funds from the Federal Government's budget.</li> </ul>
7991 of 4.24.2013	<ul style="list-style-type: none"> <li>Defines actions under the Growth Acceleration Program (PAC) to be carried out through compulsory transfer.</li> </ul>
8002 of 5.14.2013	<ul style="list-style-type: none"> <li>Provides for margins of preference for the purchase of front-end loaders, crawler tractors and related products.</li> </ul>
8022 of 5.31.2013	<ul style="list-style-type: none"> <li>Defines actions under the Growth Acceleration Program (PAC) to be carried out through compulsory transfer.</li> </ul>
8024 of 6.4.2013	<ul style="list-style-type: none"> <li>Regulates the operation of the National Civil Aviation.</li> </ul>
8032 of 6.25.2013	<ul style="list-style-type: none"> <li>Defines actions under the Growth Acceleration Program (PAC) to be carried out through compulsory transfer.</li> </ul>
8033 of 6.27.2013	<ul style="list-style-type: none"> <li>Regulates the legal provisions governing the exploitation of organized ports and port facilities.</li> </ul>

## SOCIAL

### PROVISIONAL PRESIDENTIAL DECREE

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|---------------------|---|
| 614 of<br>5.14.2013 | <ul style="list-style-type: none"> <li>Provides for the organization of the Teaching Career in Higher Education into classes according to the educational degree achieved, and defines the respective wage levels.</li> </ul> |
|---------------------|---|

### SUPPLEMENTARY LAW

- |                    |   |
|--------------------|---|
| 142 of<br>5.8.2013 | <ul style="list-style-type: none"> <li>Regulates the retirement of persons with disabilities as insured parties under the General Social Security Regime (RGPS), establishing the assessment of reduced length of employment according to the degree of disability and the formula for calculating the benefit wage.</li> </ul> |
|--------------------|---|

### LAWS

- |                       |  |
|-----------------------|--|
| 12796 of<br>4.4.2013  | <ul style="list-style-type: none"> <li>Amends the LDB and provides for the academic education of education professionals.</li> </ul>   |
| 12802 of<br>4.24.2013 | <ul style="list-style-type: none"> <li>Provides for the appropriate time to undergo breast reconstruction.</li> </ul>  |
| 12805 of<br>4.29.2013 | <ul style="list-style-type: none"> <li>Establishes the National Crop-Livestock-Forest Integration Policy.</li> </ul>   |
| 12812 of<br>6.5.2013  | <ul style="list-style-type: none"> <li>Provides for the temporary employment stability of pregnant women.</li> </ul>   |
| 12813 of<br>5.16.2013 | <ul style="list-style-type: none"> <li>Provides for the conflict of interest in holding office or employment in the federal Executive Branch and subsequent impediments to holding said office or employment.</li> <li>Defines who should be subject to the regime and situations characterizing conflict of interest.</li> </ul>  |
| 12816 of<br>6.5.2013  | <ul style="list-style-type: none"> <li>Expands the list of beneficiaries and the providers of the Technical Training Scholarship for Students under Pronatec.</li> <li>Changes the conditions of the social security contribution levied on educational plans and scholarships.</li> <li>Provides for Federal Government support to public primary education in the acquisition of vehicles for school transport.</li> <li>Authorizes federative entities to use the price registry for the acquisition of goods and service in educational actions and projects.</li> </ul> |
| 12817 of<br>6.5.2013  | <ul style="list-style-type: none"> <li>Increases the age limit of children and adolescents who make up the family units beneficiaries of the Family Grant program.</li> </ul>  |
| 12818 of<br>6.5.2013  | <ul style="list-style-type: none"> <li>Provides for the creation of the Federal University of Southern Bahia (UFESBA).</li> </ul>  |
| 12824 of<br>6.5.2013  | <ul style="list-style-type: none"> <li>Provides for the creation of the Federal University of Southern and Southeastern Pará (UNIFESSPA).</li> </ul>   |
| 12825 of<br>6.5.2013  | <ul style="list-style-type: none"> <li>Provides for the creation of the Federal University of Western Bahia (UFOB).</li> </ul>   |



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12826 of 6.5.2013

- Provides for the creation of the Federal University of Cariri (UFCA).

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12830 of 6.20.2013

- Provides for criminal investigation conducted by police chiefs.

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## DECREES

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7943 of 3.5.2013

- Establishes the National Policy for Employed Rural Workers.
- Promotes the formalization of labor relations in the rural area.

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7957 of 3.12.2013

- Creates the Permanent Management Office for Environmental Protection.
- Increases Armed Forces participation in the fight against environmental crime, especially in the Amazon region.

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7958 of 3.13.2013

- Establishes guidelines for the provision of health care to victims of sexual violence within SUS.
- Determines that the Ministry of Health shall develop actions to train medical personnel in the provision of humanized care to victims of sexual violence.

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7963 of 5.15.2013

- Establishes the National Consumer and Citizenship Plan.
- Promotes consumer protection on a national scale and creates the Chamber of Consumer Relations.

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7988 of 4.17.2013

- Regulates the National Plan for Support to the Health of People with Disabilities and the National Program of Support to Oncology Care.
- Provides for tax incentives to expand health care for people with disabilities and cancer patients.

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7994 of 4.25.2013

- Approves the 2013-2016 National Tourism Plan.
- Promotes actions to increase competitiveness of domestic tourism and encourage Brazilians to travel within the country.

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## BILLS

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5196 / 2013

- Creates administrative enforcement measures for consumers' defense.
- Gives greater effectiveness to the decisions of consumer-defense administrative authorities (Procons), authorizing them to establish corrective measures against violating suppliers.
- Provides for the intention to allow the findings of consumer-defense administrative hearings to be used by Special Courts.

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5740 / 2013

- Authorizes the creation of the National Agency of Technical Assistance and Rural Extension (Anater).

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5813 / 2013

- Establishes the Program to strengthen private charity entities and nonprofit entities working in the area of health (ProSus) to:
  - Support the economic and financial recovery of private charity health entities and private nonprofit health entities.
  - Recover tax and non-tax credits payable to the Federal Government.
  - Increase the supply of outpatient and hospitalization services within SUS.

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## INTERNATIONAL

### DECREES OF PROMULGATION

<b>7953 of 3.12.2013</b>	<ul style="list-style-type: none"> <li>Promulgates the Agreement on Migrant Smuggling between Mercosur Member-States in order to fight criminal networks of trafficking in people, and establishes the system for the exchange of information between Mercosur countries.</li> </ul>
<b>7993 of 4.24.2013</b>	<ul style="list-style-type: none"> <li>Promulgates the Proposed for Brazil's Participation in the Fourth Replenishment of the Global Environmental Fund (GEF-4), allocating US\$ 6 million for biodiversity conservation and reduction of climate change related risks.</li> </ul>
<b>7999 of 5.8.2013</b>	<ul style="list-style-type: none"> <li>Promulgates amendments to the Social Security Agreement between Brazil and Portugal, increasing the number of workers in the two countries with access to social security benefits.</li> </ul>
<b>8000 of 5.8.2013</b>	<ul style="list-style-type: none"> <li>Promulgates the Social Security Agreement between Brazil and Germany, facilitating the access of more than 90,000 Brazilians in Germany to benefits such as retirement, death pension and accident pay.</li> </ul>
<b>8003 of 5.15.2013</b>	<ul style="list-style-type: none"> <li>Promulgates the Agreement between Brazil and the United States of America for the Exchange of Information Relating to Taxes, establishing a cooperation mechanism to combat tax evasion, organized crime and international money laundering.</li> </ul>
<b>8008 of 5.15.2013</b>	<ul style="list-style-type: none"> <li>Promulgates the Convention on International Guarantees for Mobile Equipment, facilitating access to financing for aircraft equipment and reducing costs in the industry.</li> </ul>

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