# 2 Strategic planning and prioritisation in Brazil

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

## Introduction

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

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

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

### Figure 2.1. Role of the CoG in priority setting and strategic alignment
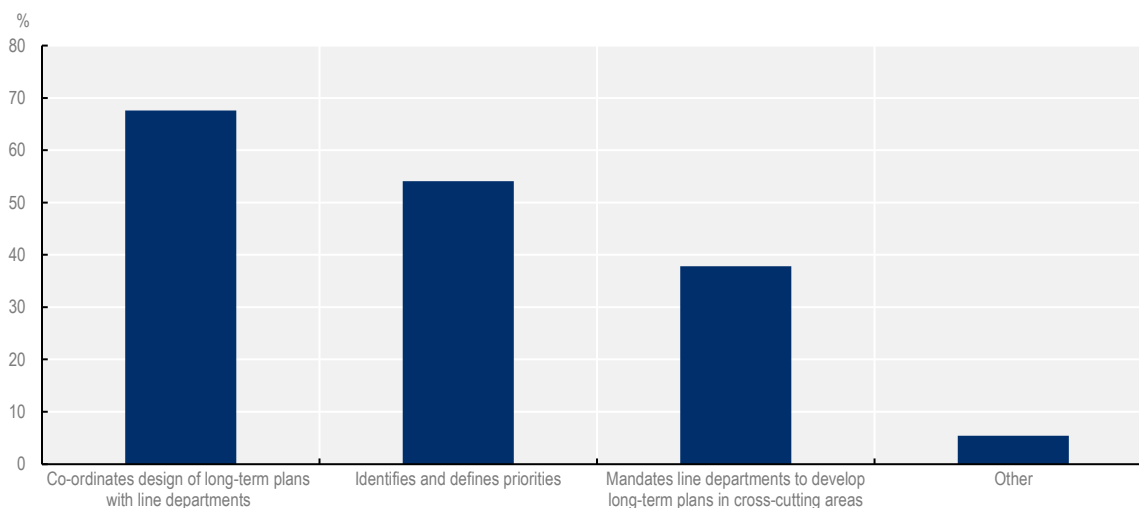


Source: OECD (2017[4]), "Survey on the organisation and functions of the centre of government", OECD, Paris.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Box 2.1. Strategic foresight methods**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Singapore**

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

**France**

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

**New Zealand**

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

**United States (US)**

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

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

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## Linking planning with outcomes through more effective prioritisation practices

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

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

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

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

#### *Federal Development Strategy 2020-2031*

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

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

- The six guidelines (*diretrizes*) represent the macro-objectives of the Brazilian state, reflecting an updated reading of the objectives outlined in Article 3 of the constitution. Each of the five axes is associated with one guideline, with one overarching guideline valid for all axes (Ministério da Economia, 2020[18]).
- The 18 challenges associated with the axes are issues to be tackled by a specific set of public policies, with a view to achieving the macro-objectives defined in the guidelines.
- Orientations (*orientaçoes*) list the strategic course of action or policies chosen by the government to address the challenges identified.
- The 36 national key indices represent the impact metrics for the diagnosis and international comparability of the current situation and future trajectory of the country for each macro-objective.

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

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

### Pluriannual Plan (PPA)

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

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

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

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

**Figure 2.2 Structure of the Pluriannual Plan 2020-2023**
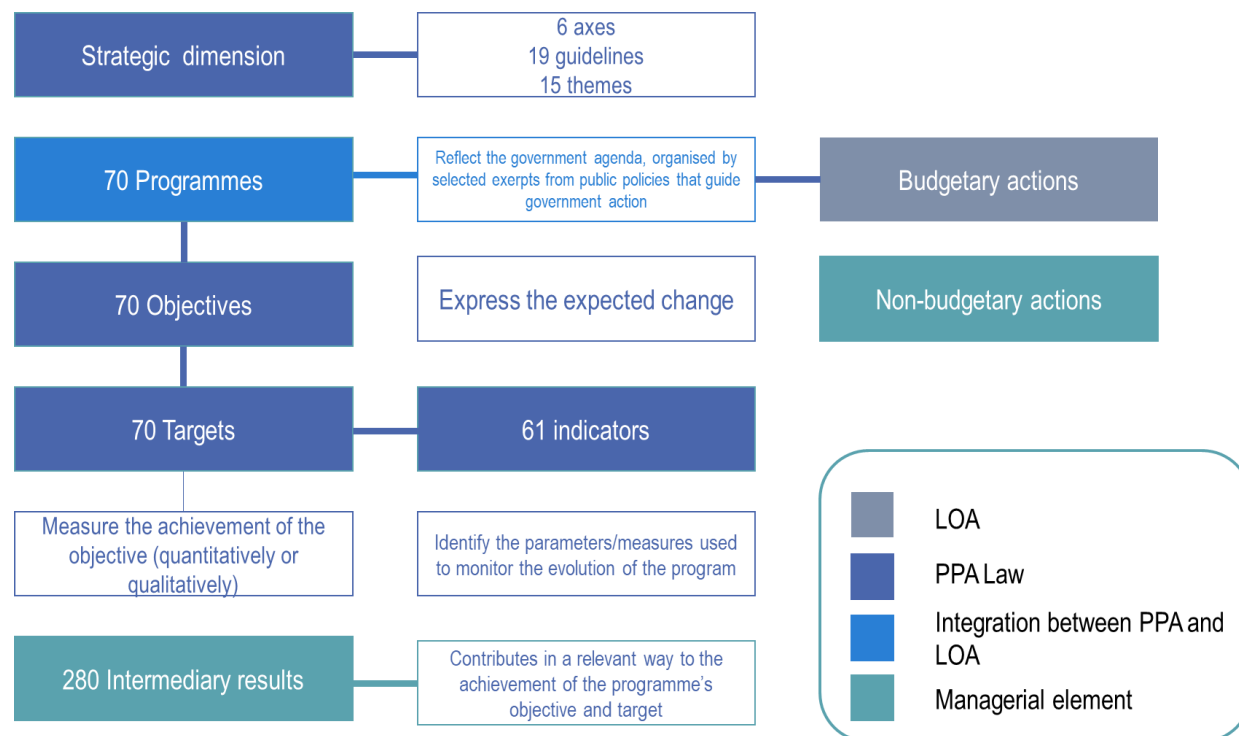


Source: Translated and adapted from Governo Federal - Brasil (2020[28]), *Painel do Planejamento Federal*, http://painelppa.planejamento.gov.br/analytics/index.html.

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

*Prioritisation methodologies*

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

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

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

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

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

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

### *Parallel prioritisation processes have emerged within the Brazilian CoG*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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**Box 2.5. List of indicative questions for problem analysis**

1. Regarding the key challenges and problems related to the implementation of previous strategies:
   o What are the key challenges and problems still not addressed or unsuccessfully addressed according to the beneficiaries of previous strategies? Have any other such challenges (or similar) arisen since the start of the implementation of previous strategies?
   o What are the issues that institutions implementing the reform measures complain about the most?
   o What are the views of the stakeholders on the implementation of the previous strategies?

2. Where are the biggest performance gaps of the previous reforms or in the functioning of the public administration as a whole or a particular sector, based on data, including any internal or external assessments and monitoring and evaluation reports?

3. Regarding the key causes of the problems and gaps according to available data (from external and internal assessments):
   o Why were objectives and performance targets not achieved?
   o Why were activities not implemented?
   o What unplanned activities were undertaken and why?

4. What are the views of the implementing institutions and key stakeholders, including beneficiaries, on the causes of the problems and gaps?

5. How significant is the problem or gap based on the available data and complaints of the implementing institutions or stakeholders, including beneficiaries?

6. How is the country performing in the various areas of public administration or a particular sector in comparison to others (similar countries, the region and international best performers)?

7. What are the systemic reasons behind the difference in performance compared to other countries?

8. What reforms or actions can be adapted from other country reforms or from good performers and what are the limitations of such adaptation?

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

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

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

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

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

- The quality of evidence can be bolstered by establishing standards, of particular interest during the problem analysis phase of the strategic planning are the following standards of evidence:
  - **Standards concerning evidence synthesis**: Evidence syntheses are thorough literature reviews, including impact evaluations, that help keep policy makers and practitioners informed as to what works, how and what unintentional harm could emerge (OECD, 2020[9]). Good practice in terms of knowledge management would dictate that policy makers can and should appraise the quality of evidence synthesis and should strive to base policies on a full body of evidence rather than a single study (OECD, 2020[9]).
  - **Theory of change and logic underpinning an intervention**: Theory of change should help policy makers identify whether the intervention should work (OECD, 2020[9]). In essence, it is a set of interrelated assumptions explaining how and why an intervention is likely to produce the desired outcomes (OECD, 2020[9]).
  - Standards concerning the design and development of policies and programmes focus on evidence that tests the feasibility of delivering a policy in practice (OECD, 2020[9]).

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

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

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

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

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## Box 2.6. Examples of strategies shaped by stakeholder engagement

**The government of Italy: Triannual Development Cooperation Strategy**

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

**The government of Lithuania: National Strategy Lithuania 2030**

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

**Northern Ireland Health Strategy**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Aligning and integrating the planning system

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

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

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

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

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

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

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

**Institutional arrangements**

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

**Monitoring and evaluation (M&E) systems**

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

**Review and revision cycles**

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

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

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

> **Box 2.9. Poland's stocktaking of its development strategies and programmes**
>
> The Act on Development Policy (2006) was the first step in the evolution of Poland's development management framework. This legislation not only established an institution to define and co-ordinate the country's development policy but also used a series of interconnected action plans to deliver sustained and balanced national development, as well as to ensure regional socio-economic cohesion.
>
> This legislation – and the entire development management framework – was informed by a stocktaking exercise of Poland's development strategies and programmes between 1989 and 2006. The government determined that, over this period, the country's Council of Ministers had adopted no less than 406 national strategies (with varying scopes and degrees of implementation), of which only 120 remained relevant. Thus, in 2009, the country passed the Development Strategy Rearrangement Plan, which reduced and rearranged the number of binding strategies. All strategic initiatives developed since 2010 adhere to this new system.
>
> Source: Adapted from OECD (2016[51]), *Public Governance Reviews: Peru Integrated Governance for Inclusive Growth*, https://doi.org/10.1787/9789264265172-en.

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

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

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

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

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

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

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

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

> **Box 2.10. Streamlining and aligning sectoral strategies in Ireland**
>
> **Ireland's Civil Service Renewal Plan 2014**
>
> - Action 4: Strengthen strategic planning and business planning processes.
>   - Streamline the Statement of Strategy (*sectoral strategies*) planning cycle with the Programme for Government[8] so that planning processes are aligned.
>   - Mandate the Civil Service Management Board to review and challenge each Statement of Strategy prior to finalisation to ensure that these integrate cross-cutting initiatives and link effectively to Programme for Government commitments.
>   - Develop a single Statement of Strategy for the Civil Service that focuses exclusively on the strategy for delivering cross-cutting initiatives involving multiple departments, offices and agencies.
>   - Establish the expectation that each Secretary-General meets annually with the relevant parliament (*Oireachtas)* committee to discuss progress in the delivery of the objectives published in each department's Statement of Strategy.
>   - Initiate regular strategic horizon scans to identify long-term risks, challenges and opportunities for Ireland over the longer term (e.g. 10, 20, 30 years into the future).
>
> Source: Republic of Ireland (2014[52]), *The Civil Service Renewal Plan - A Vision and Three Year Action Plan for the Civil Service*, https://www.gov.ie/pdf/?file=https://assets.gov.ie/4171/101218152156-e1206bb2c0964a53888531e0c96c356e.pdf#page=1 (accessed on 20 October 2021).

### *National and federal strategies lack implementation mechanisms at the local level*

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

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

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#### Box 2.11. Alignment between different state programmes in Guanajuato (Mexico)

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

Source: Adapted from Estado de Guanajuato (2019[53]), *Program de Gobierno 2018-2024 [State Government Program 2018-2024]*, https://guanajuato.gob.mx/PDGv23.pdf.

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

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

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

## Case study on business environment reform in Brazil

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Recommendations

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

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

# Recommendations

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

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

**Link planning with outcomes through more effective prioritisation practices**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Align and integrate the planning system

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

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

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## Notes

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

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

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

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

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

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

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

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