



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 22-Jan-2020 | Report No: PIDC28413

**BASIC INFORMATION****A. Basic Project Data**

Country Brazil	Project ID P173202	Parent Project ID (if any)	Project Name Federal Pro-Gestão: Public Sector Modernization (P173202)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date Mar 16, 2020	Estimated Board Date May 28, 2020	Practice Area (Lead) Governance
Financing Instrument Investment Project Financing	Borrower(s) Brazil Ministry of Economy	Implementing Agency Special Secretariat for Debureaucratization, Management and Digital Government/ Especial de Desburoc	

Proposed Development Objective(s)

To improve efficiency in Brazil's Federal Government human resource management, public procurement, and intergovernmental transfers, and access to services through digital government transformation.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	35.00
Total Financing	35.00
of which IBRD/IDA	35.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	35.00
--	-------



Environmental and Social Risk Classification

Moderate

Concept Review Decision

Track I-The review did authorize the preparation to continue

Other Decision (as needed)

B. Introduction and Context

Country Context

- 1. After a period of rapid growth, Brazil's economy subsequently fell into deep recession and has yet to recover.** Growth slowed from an average of 3.7 percent per year between 2001 and 2010 to 2.4 percent between 2011 and 2014, followed by contractions of 3.5 percent in 2015 and 3.3 percent 2016. While external factors triggered the slowdown, an expansionary policy response led to rapidly rising fiscal disequilibria and, with rising domestic political uncertainty, to a loss of confidence and a sharp drop in investment. The economic recovery remains weak with 1.1 percent growth in 2017 and 2018 and 0.9 percent growth projected in 2019 and 2.0 percent in 2020. Given population growth of about 0.8 percent, growth remains relatively low in per capita terms.
- 2. The prolonged crisis threatens a decade of social development progress, including the unprecedented reduction in poverty and inequality with 24.8 million Brazilians escaping poverty between 2006 and 2015 and the Gini coefficient falling from 0.59 in 1999 to 0.51 in 2015.** Most of this reduction was explained by the creation of formal sector jobs, with sharp decline in the unemployment rate to a low of 6.8 percent in 2014. However, the economic crisis precipitated a rapid rise in unemployment with job losses of 2.6 million in 2015 and 2016. The unemployment rate peaked 13.6 percent in March 2017 and has only slowly declined to 11.8 percent in July 2019. The impact was most pronounced in 2015, as 3.4 million people (1.5 percent of the population) fell into poverty (US\$5.50/day line). As a result, poverty increased from 19.4 percent of the population to 21 percent in 2017. Inequality fell between 2016 and 2017, but at a Gini index of 53.3 remains high.
- 3. Restoring fiscal sustainability is the most urgent economic challenge for Brazil and the current administration's priorities are reducing the size of the State, cutting public expenditure and liberalizing the economy with the aim of improving the State's efficiency.** In December 2016, Congress passed a constitutional amendment to limit public expenditure growth ("*teto dos gastos*") that enforces an accumulated adjustment of 5 percentage points (pp) of GDP for the period 2017-2026 and would stabilize debt at around 82 percent of GDP by 2023 and then start to decline. Implementing this fiscal adjustment requires alleviating the rigidities affecting public spending and revenue earmarking mechanisms, which turn mandatory over 90 percent of the Federal Government's primary spending. This requires structural changes and immediate action.
- 4. The uncertain economic situation, rising poverty levels, and recurrent corruption scandals have increased the overall discontent with government.** As poverty has increased so has the perception of corruption, partly due to constant news about traffic of influence and misuse of funds involving high level officials across levels of government. In the past decade over 14,000 individuals have been found guilty of corruption crimes, including a

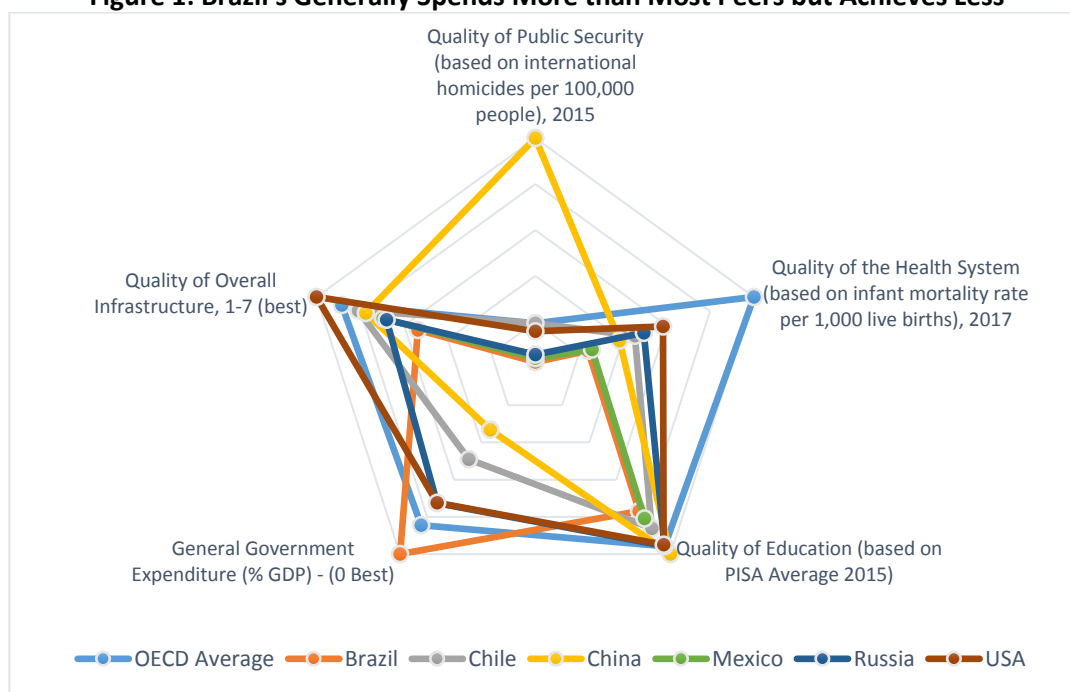


former President.¹ As a result, government approval has decreased from 86 percent in 2010 to 7 percent in 2018, the lowest in Latin America, and satisfaction with democracy in 2018 was 34 percent, also amongst the lowest in the region.²

Sectoral and Institutional Context

1. **For the last three decades the Brazilian State has grown steadily, without, however, any commensurate improvement in the quality or reach of public services.** While Brazil has made substantial progress in the access to certain public services, their quality lags its peers (see Figure 1). Brazil spends more on education (6.6 percent of GDP) than the average of OECD countries and more than many middle-income countries with better outcomes. Despite the investments in education, on average Brazilian students perform below most countries in comparable international tests and functional illiteracy remains a serious problem. Similarly, Brazil spends 9.2 percent of GDP on health, again slightly above the OECD average (8.8 percent), yet research from the World Bank in Brazilian municipalities identifies huge inefficiencies, for example, the number of doctor’s appointments could increase almost 98 percent through efficiency gains.³ The World Bank estimates potential efficiency gains in the order of 1.4 percent of GDP in transport and 0.7 percent of GDP in water and sanitation – equivalent to almost twice the amount invested in both sectors.⁴

Figure 1: Brazil's Generally Spends More than Most Peers but Achieves Less



Source: World Bank Brazil Policy Notes, calculations based on WDI, OECD, WEF.

¹ World Bank, Brazil Systematic Diagnostic, 2016.

² Latinobarómetro, 2018.

³ World Bank, Um Ajuste Justo, 2017.

⁴ World Bank, Brazil Policy Notes, Note 8 on Infrastructure.

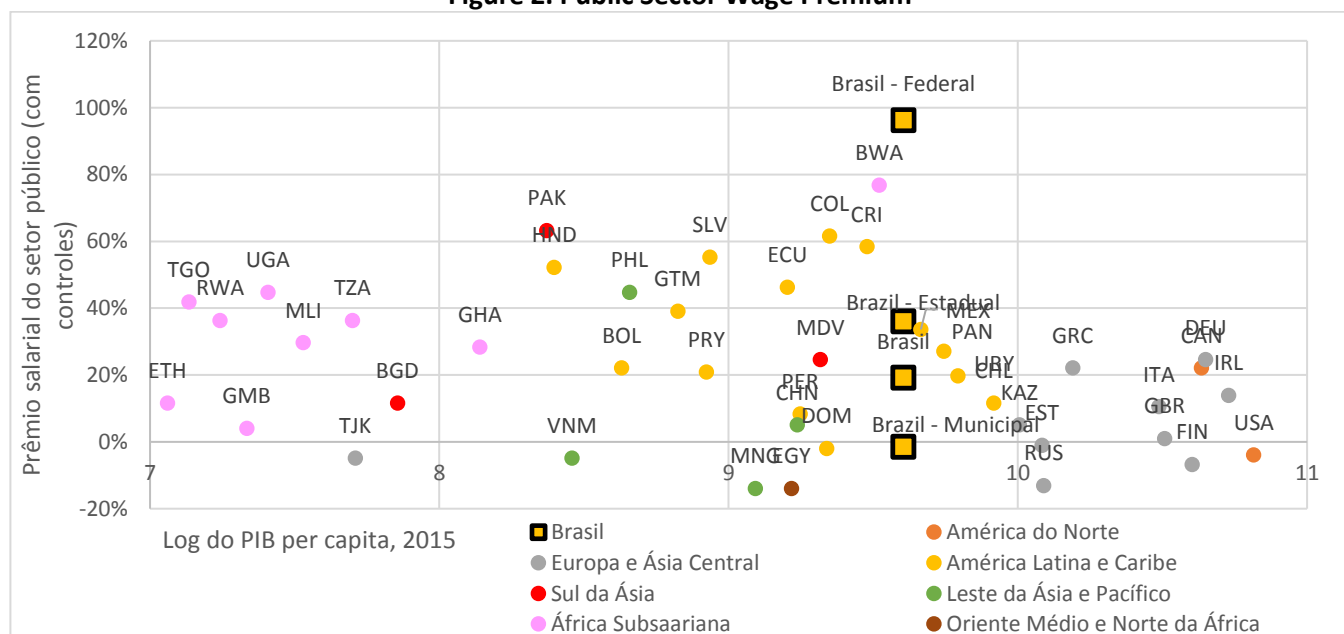


- 2. **World Bank estimates that between 2007 and 2017, Brazil spent nearly 48 percent of public expenditure on public servant’s wages.** In 2017, R\$ 725 billion was spent on active public officials, this is equivalent to nearly 10 percent of the country’s GDP⁵ and is roughly 20 times the amount spent in the Bolsa Familia Program. In twenty years, the number of civil servants increased around 82.4 percent, from 6.26 million to 11.5 million, while the population grew around 30 percent⁶. In contrast to its regional peers Brazil, in 2013, spent more on wage bill for the Federal Government (4.3 percent of GDP) than Argentina (2.5 percent), Colombia (2.3 percent) and Mexico (1.6 percent).
- 3. **The current challenge is to “do more with less” and keeping citizens at the center of the reform agenda.** The Special Secretariat of Debureaucratization, Debureaucratization, Management and Digital Government (SEDGGD) at the Ministry of Economy (MoE) is leading the federal administrative reform. SEDGGD identified three pillars key to the design and implement the desired administrative reform: Human resource management; Government management; and Digital government. The following paragraphs describe some of the key issues.

Human Resource Management

- 4. **The Federal Government employs around 12 percent of all Brazilian public servants yet it accounts for 25 percent of the country’s total wage bill.**⁷ Federal personnel expenses are the second-largest group of government expenses after social transfers, accounting for nearly 22 percent⁸ of its primary expenses. Between 2008 and 2018, payroll expenditures for active federal officials grew by 2.5 percent a year in real terms; of which average salary increases represented around 1.5 percent, and 1.1 percent an increase in the number of civil servants.

Figure 2. Public Sector Wage Premium



Soure: World Bank, O Que os Dados Dizem, 2019.

⁵ Uma análise multidimensional da burocracia pública brasileira em duas décadas (1995-2016). *Atlas do Estado Brasileiro*. Instituto de Pesquisas Econômicas Aplicadas (IPEA), 2018.

⁶ Ibid.

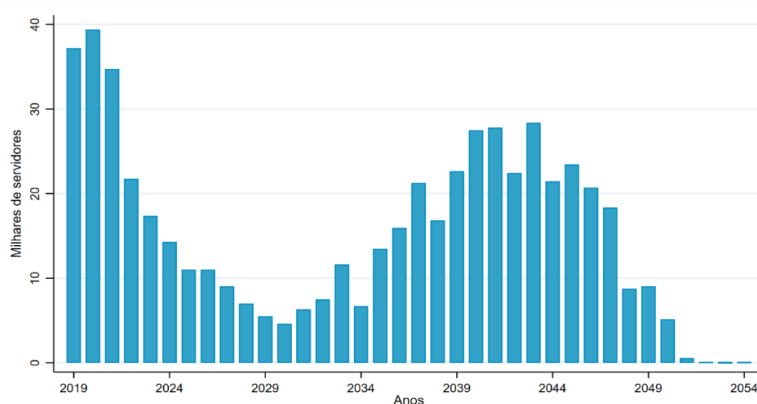
⁷ World Bank analysis of MoE’s Secretary of Human Resource Management (SGP) Federal Government payroll microdata in the Integrated System for People Management (SIAPE) database.

⁸ Resultado do Tesouro Nacional (2018).



- Over the last decade, the main driver behind the payroll growth for the Federal Administration has been salary adjustments that were above inflation.** In this period, the average salary of federal officials grew 1.8 percent annually in real terms. These salary adjustments, even during periods of a significant decreases in revenue, led to a public sector wage premium of around 96 percent:⁹ that is, federal civil servants earned, on average, almost twice as much than private sector employees with similar characteristics. Public sector wage premiums are common— on average Brazilian public servants receive 19 percent more than private sector employees, compared to a global average of 21 percent as shown in Figure 2. Nevertheless, when disaggregated by government level, the average wage premium for Brazilian federal public servants is particularly high when compared with similar private sector counterparts.
- A World Bank study showed** the current career system is extremely fragmented – there are 299 careers -and very rigid, with little horizontal mobility between careers. Despite having a professional and skilled workforce, the complex and rigid HRM structure makes it extremely difficult to adapt and deploy quick solutions demanded in a fast-changing world. In addition, the complex and non-standard remuneration structure -which has 117 salary tables-, with the existence of different installments, bonuses, surcharges, rewards, etc. impose additional monitoring and transparency challenges. As a result, there is a large wage dispersion within careers; that is, employees in the same career with the same years of service earn considerably different salaries, and this difference is not explained by pay for performance bonuses.
- The need for strategic workforce planning is also evident through the high number of employees concentrated at the top of their career and near retirement, 98 percent of civil defense servants have reached the top of their career followed by 78 percent in legal careers.** According to the Government’s Human Resource Information System (HRMIS), SIAPE, for some careers it takes only ten years to reach the most senior grade. Other important challenges include high initial salaries, low wage compression and ineffective performance-based payments that do not differentiate employees.
- A World Bank simulation using micro-level data shows that by 2022 about 26 percent of Federal Government public servants will retire and by 2030 the number of retirees may reach 40 percent.** This provides a window of opportunity for civil service reforms.

Figure 3. Retirement Projections (2019-2054)



Source: World Bank, O Que os Dados Dizem, 2019.

- The Federal Government’s Human Resource Management Information System (HRMIS) is outdated and does not provide adequate information that can allow a better control and management of personnel expenses.** The HRMIS

⁹ Sistema Integrado de Administração de Recursos Humanos (SIAPE) para o período entre 2008 e 2017 e RAIS.



was designed in the 1980s for centralized payroll registration and processing. Already by the end of the 1990s, it was in an advanced stage of technological obsolescence, needing to be replaced by newer technologies, at the risk of collapse, given the rapid evolution of computing platforms. This has hindered the use of evidence for decision-making and planning.

Government Management

10. **The Federal Government has a comprehensive set of norms regulating public procurement processes.** Open competitive bidding is the default procurement method, as defined by Article 37 of the Constitution. All procurement opportunities, regardless of estimated cost, are published on the internet and/or official gazettes. However, the hiring and purchasing process in Brazil is still complex, slow, and lacks strategic planning. It is common for different agencies pay noticeably different prices for similar good because there are systemic inefficiencies marked by a lack of coordination and use of evidence for decision-making.
11. **Procurement of goods and services carried out by the Federal Government added up to more than R\$155 billion between 2012 and 2014, accounts for five percent of government spending during this period.**¹⁰ Contracting of services accounted for the majority of public purchases by the Federal Government in the years 2012 to 2014, and about 60 percent of the total value of purchases when considering the three levels of government. Following services, materials were the second largest category of expenditure, accounting for about 26 percent, while construction works reached 14 percent of the total contracted value.
12. **Overpricing of goods and services is a continuous challenge in Brazil.** The country's procurement legislation (Law 8.666 from 1993) sets forth that any tender (reverse auctions included) must be preceded by a process called "price research" (*pesquisa de preços*), which has the objective of defining the formal estimated and acceptable price range for the bid. This Law provides options concerning how price research may be carried out, such as through "broad private market research" or by following "prices paid by other public agencies in previous tenders for similar items". This multiplicity of approaches for "price research" has adversely affected final prices. Quotations received from firms are often imprecise hindering the potential benefits of the electronic reverse auctions.¹¹
13. **In 2017, the Finance Ministry created a Price Panel (*Painel de Preços, PP*) which provides detailed information about the final prices paid for all previous purchases by federal public entities since 2015.** The World Bank evaluated the impact of introducing the PP and found a reduction of 11 percent on estimated prices and 7 percent on final prices after its introduction. Nonetheless, uptake of the PP is still limited. The practice of requesting quotations is still widely used. This leads to self-reinforcing mechanism in which suppliers deliberately used a large buffer when estimating prices (Viana, 2012). Government must reinforce the use of the PP, while standardizing practices and improving coordination.
14. **The Federal Government does not use the huge amount of data it has available to inform procurement planning and policy.** Comprasnet serves as a digital platform for procurement processes. Electronic reverse auctions (e-RAs) have become the most common method to procure goods, used in more than 95 percent of all tender processes. Nevertheless, the Federal Government still lacks capacity to harness all the benefits of the data that these systems generate, by, for example, aggregating demand for a common good to lower unit costs and reduce the processing time for the purchase. There is a lack of coherence and poor interoperability of the platform with the other systems and regulations in use by the Federal Government. The large volume of internal demands, the lack of a proper monitoring tool and system fragmentation have impaired management effectiveness. Professional procurement

¹⁰ Ajuste Justo Report (World Bank 2017)

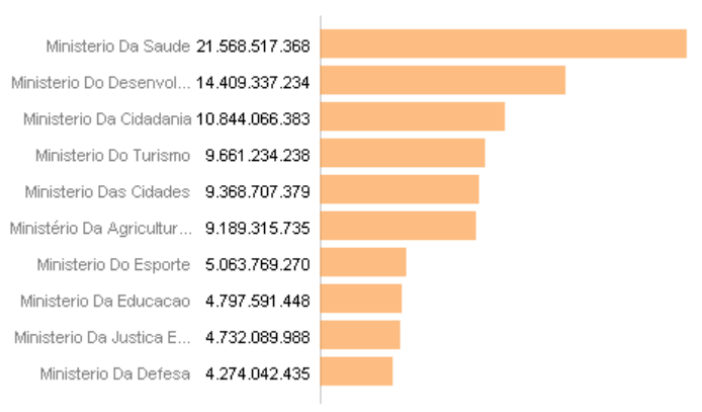
¹¹ Request for quotations (RfQ) to three different firms become broadly accepted and the government agency would then define the estimated price based on an average of the quotations received. Eventually this practice became so ingrained in the Federal Administration organizational culture that it was formally accepted through a case: Acordao no 4.013/2008-TCU-Plenario.



capacity is limited: Brazil does not have a structured program to supply officials working in procurement with the required knowledge and skills to perform the job.

15. As part of the effort to improve Government efficiency, the Federal Government wants to improve the way resources are transferred to subnational governments. In 2008, the Federal Government's Agreement and Transfer Management System (SICONV)¹² was created as an attempt to begin centralizing the Federal Government's non-earmarked transfers (nearly 10 percent of all transfers). The amount of non-earmarked transfers is small relative to the Federal budget, about 4.23 percent of total spending. While relatively low, transfers represent a significant share of the resources available to subnational entities that adhere to relevant programs given the poor fiscal capacity of some states and many municipalities. Between 2008 and 2019, SICONV transferred around R\$ 115 billion through approximately 150,000 agreements between the Federation entities.¹³ The following chart shows the distribution of resources by Ministry by 2019.

Figure 4. Distribution of Funds from non-earmarked Transfers by Ministry (R\$).



Source: SICONV/2019¹⁴

16. In 2014, the Federal Court of Accounts (TCU) audited¹⁵ SICONV and found the absence of internal controls made possible irregularities and misuse of resources in the execution of agreements. There were, for example, 518 transfers to entities with pecuniary claims; 179 contracts/covenant agreements with defaulting entities in other agreements; 82 contracts signed by the parties with companies registered in the Register of Inidoneous and Suspended Companies (CEIS); 28 contracts signed by the covenants with a company whose corporate composition included employees of the granting body; and 38,321 on contracts/covenant agreements without the work plan assessment (43 percent of the 87,399 entered).

17. In an effort to revamp SICONV, the government launched the "Plataforma + Brasil" in 2019 to extend SICONV's scope to other types of federal transfers and strengthen management of public resources. Plataforma + Brasil must overcome the complex legal framework of the federal budget in order to centralize its hundreds of mandatory

¹² SICONV is an online platform that aggregates and processes information about non-earmarked transfers from Federal Resources to Public and Private non-profit.

¹³ (Plataforma +Brasil, 2019).

¹⁴Auditoria no sistema de gestão de convênios e contratos de repasse (SICONV) do governo federal (November, 2014).

<http://www.transferenciasabertas.planejamento.gov.br/QvAJAXZfc/opendoc.htm?document=painelcidadao.qvw&lang=pt-BR&host=QVS%40srvbsaiasprd01&anonymous=true>

¹⁵ <https://portal.tcu.gov.br/biblioteca-digital/auditoria-no-sistema-de-gestao-de-convenios-e-contratos-de-repasse-siconv-do-governo-federal-sumario.htm>



transfers, which account for 90 percent of all transfers. Most transfers are made through multiple systems that follow different and often complex processes, making the centralization of the transfer regime into a single platform a gargantuan task.

- 18. The demand and use of office spaces in the Federal District poses another management challenge for the Federal Government.** A TCU audit found inaccurate, inconsistent and distorted information about the Federal Government's assets, including real estate buildings that were double-counted in the Government's balance sheet report (*Balanço Geral da União*). In many cases it is not possible to verify if the use of the asset is in accordance with the current legislation. SEDGGD argues that, given these inconsistencies, the Federal Administration lacks capacity to fully assess and allocate the Government's demand and supply for its workforce in Brasília. In 2018, the Federal Government spent R \$ 1.56 billion in rent to accommodate public agencies¹⁶ but has no information on the use of its buildings, not even in the Federal District. This lack of data is an obstacle for government management and a potential source of savings.

Digital Government

- 19. In 2016, Brazil's digital economy amounted to 21.3 percent of GDP (around US \$371 billion), and projections for 2020 suggest that the digital economy will grow to 24.3 percent of GDP (US \$446 billion).**¹⁷ Responding to the digital transformation of its economy, the Government's Digital Government Strategy (Decree 8.638/2016) defines the strategic objectives, goals, indicators and initiatives of the Federal Administration Digital Governance Policy for 2016-2019. The strategy seeks to use digital technologies and data as a strategic asset to provide efficient, convenient and high-quality public services to citizens and businesses.¹⁸
- 20. The Government of Brazil has made significant progress moving from analog to digital processes.** For over fifteen years, Brazil has largely focused on the automation of internal processes, achieving a certain level of success: according to the UN E-Government Development Index (EGDI)¹⁹ the country jumped from 61st (2010) to 44th (2018) while also improving its E-Participation Index (EPI)²⁰ score from 42nd (2010) to 12th (2018).
- 21. The Government has not been able to absorb digital transformation at the same rate that society has been incorporating new technologies,²¹ and is still characterized by highly bureaucratized processes that hinder innovation and marked by the disintegration and outdated technology.** The complexity and diversity of digital technologies tend to complicate investments, which are affected by budget constraints, complex management processes, and fragmented procurement methods (OECD, 2016). For example, in 2019 there were more than 1,500 website offering Government information and services and more than a hundred mobile applications with the same purposes. Spreading services across many channels is, in itself, an insurmountable barrier to building a model of citizen service. Furthermore, availability and retention of people with digital skills is a challenge throughout the Government in the absence of a cadre of experts that can address the increasing demand.

¹⁶ https://www.correiobraziliense.com.br/app/noticia/economia/2018/05/03/internas_economia,677944/governo-federal-e-dono-de-655-mil-imoveis-num-total-de-r-68-bilhoes.shtml

¹⁷ Accenture: "Digital Disruption: The Growth Multiplier", available at <https://www.accenture.com/us-en/insight-digitaldisruption-growth-multiplier>. Last Access on 14/09/2017.

¹⁸ OECD (2018), Digital Government Review of Brazil: Towards the Digital Transformation of the Public Sector, OECD Digital Government Studies, OECD Publishing, Paris. - <https://doi.org/10.1787/9789264307636-en>

¹⁹ As a composite indicator, the EGDI is used to measure the readiness and capacity of national institutions to use ICTs to deliver public services. It gives the relative position of a country in utilizing e-government for the delivery of public services.

²⁰ EPI assesses the availability of e-participation tools on national government portals for (i) availability of electronic information, (ii) online public consultations, and (iii) electronically involving citizens in decision processes.

²¹ Redesenho De Serviços Públicos E Transformação Digital: Combinando Abordagens E Metodologias Ágeis Com Foco No Cidadão. Ipea, 2019. Isbn: 978-85-7811-352-0



Relationship to CPF

22. The proposed project is aligned with the World Bank Group's Brazil Country Partnership Framework (CPF) 2018-2023 (Report #113259-BR) discussed by the Executive Directors on May 16, 2017, which proposes a reorientation of new lending toward addressing challenges identified in the Systematic Country Diagnostic, including government effectiveness and the quality of policymaking and implementation. The Project will directly support the CPF's Focus Area 1: *Fiscal consolidation and government effectiveness* and is aligned with objective 1.1 "Strengthen fiscal management at all levels of government". This objective supports the Government's efforts to adopt key policy reforms necessary to reestablish fiscal stability, improve fiscal management and expand access to quality public services. This Project supports these objectives by helping restrain growth in current expenditures and enhancing public sector efficiency. It also aligns with the new Programmatic Learning Review (PLR) which promotes institution-building through, among others, strengthening data systems, monitoring and promoting a wide review of key institutional components such as procurement and HRM issues.

C. Proposed Development Objective(s)

To improve efficiency in Brazil's Federal Government human resource management, public procurement, and intergovernmental transfers, and access to services through digital government transformation

Key Results (From PCN)

23. Progress towards the PDO will be measured by the following indicators

Strengthen human resource management:

- a. Number of Government Agencies that adopt strategic planning parameters for workforce allocation.
- b. Reduction of manual payroll entries into HRMIS.

Strengthen government management:

- a. Reduction of average price of selected items and time for processing bids.
- b. Share of transfers executed directly through the *Plataforma + Brasil*, and reduction of the processing time of inter-governmental transfers to subnationals.

Strengthen Digital Transformation

- a. Number of citizens accessing services through digital platforms.
- b. Improved service provision measured by reductions in the time it takes citizens to undertake certain processes.
- c. Reduction of cost of provision selected services as a result of digitalization.

D. Concept Description

24. The proposed Project is an Investment Project Financing (IPF) operation financed by a US\$35 million loan over a



five-year period. The Project supports the Government's administrative reform priorities and builds on the close partnership that the World Bank has built with the SEDGGD. The technical assistance to be financed by the World Bank will assist SEDGGD guide the Federal Government's efforts to rethink processes, reduce red-tape, and modernize systems supporting administrative reforms aimed at improving the public sector's effectiveness and efficiency. The project has four components: Human Resources Management; Government Management; Digital Government; and Project Management.

- 25. Component I. Human Resource Management (US\$13 million).** The objective of this component is to enhance the quality of human resources management systems and processes, and develop new legal and policy frameworks for the Brazilian civil service.
- 26. Sub-component I.I: Data Analytics and HRM Information System (HRMIS).** This sub-component will help establish a state-of-the art HRMIS replacing the SIAPE which is now two decades old. The project will support Data Warehouse development and Business Intelligence tools for data management that will help integrate the dozens of existing databases and improve the processing of vast amounts of data. It will support the technical design and rollout of key modules of the HRMIS, including capacity building in the use of digital tools for data analytics in workforce planning and management. This new data infrastructure will also support identification and monitoring salary inequality (i.e. different salaries within the same career due to gender). This sub-component will also support the improvement of payroll monitoring/auditing process through new technologies and Artificial Intelligence (AI), which can significantly improve fraud detection and reduce false positive payments.
- 27. Sub-component I.II: Policy and Legal Frameworks.** Activities under this sub-component will support the development of legal and policy framework for the proposed civil service reform. This will include proposals for new career structures, strategic workforce planning parameters, capacity-building, as well as performance evaluation and monitoring tools (including gender inequality). The career and performance frameworks will encourage mobility of staff across agencies and reduce the emphasis on length of service as the main criterion for career advancement, prioritizing performance. Parameters for strategic workforce planning, or right-sizing, of specific government agencies will be developed, including an action plan that can support its implementation.
- 28. Component II. Government Management (US\$ 11.55 million).** This component will contribute to strengthening public procurement, management of inter-governmental transfers, as well as asset management and workforce allocation.
- 29. Sub-component II.I: Public Procurement.** This subcomponent will support the development of new modules and processes that will be incorporated into the *Comprasnet* platform with the aim of modernizing the procurement system and improving interoperability. Key activities include the development of a marketplace solution, the use of AI to develop a catalogue of products and services, modules to integrate payments into SIAFI -Federal Government's Financial Information System), and improve electronic bidding processes. It will also support capacity-building activities to strengthen the cadre of procurement specialists mainly through the National Public Purchasing Network ("*Rede Nacional de Compras Públicas*"), and map procurement processes and agencies with the objective of improving work flows.
- 30. Sub-component II.II: Management of Inter-governmental Transfers.** This sub-component will help improve the platform that processes transfer to subnational governments (*Plataforma + Brasil*). There are four main activities aimed at improving the transfer processes. First, to internalize other types of transfers in a single government platform since currently only non-earmarked transfers are sent through the *Plataforma + Brasil*. This internalization effort will ensure greater governance and simplify resource management, as well as strengthen monitoring. Second, this subcomponent will finance a study of the normative framework of the Federal Government's resource transfers. Currently the Brazilian regulatory framework involves hundreds of legal and informal norms, generating information asymmetry, waste of time and multiple processes, as well as legal uncertainty. A proposal to simplify the legal and



informal rules governing such resources will be developed. Third, the *Plataforma + Brasil* will be revamped with new user-friendly modules that can facilitate the incorporation of new transfers into the platform. Finally, given the country-coverage of the platform, training material will be developed and implemented for multiple stakeholders and users across Brazil.

- 31. *Sub-component II.III: Efficient use of Federal Government Buildings.* The project will finance a survey of the current use of office space of federal employees in the Federal District with the aim of improving workforce allocation and savings. The survey will map federal buildings and their occupancy level. It will include an in-depth analysis of federal building demand and supply and aims to increase occupancy efficiency, balance demand and supply, and potentially reduce costs. The Government does not have data on use of federal buildings by its staff hence it is not able to make decisions that can reduce, for example, the use of rental space. A concrete action plan that will build on the survey will also be developed.
- 32. **Component III. Digital Transformation (US\$ 10.3 million).** This component will support activities that can enhance the digital transformation of the Federal Government through two sub-components.
- 33. *Sub-component III.I. Digital Services.* This sub-component will finance studies and action plans to issue a unique digital identity, specifically on how to integrate databases, improve information security, as well as processes for all citizens to obtain such identity. It will also support the use of new technologies that can help speed-up the process of service digitalization, support the establishment of a customer service center and mapping of user experiences (i.e. vulnerable populations, low schooling, the elderly and citizens with disabilities) to improve service delivery.
- 34. *Sub-component III.II: Alignment of Digital Resources.* The sub-component will finance the development of an action plan to help unify the over 1,500 websites offering Federal Government services and information, as well as the more than 100 mobile applications, which contribute to scattered service provision across multiple channels. This subcomponent will also support the development a multichannel user service and information management model, and data center consolidation with a view to cost optimization, standardization, and avoiding redundancy of ICT infrastructure. It will also develop a strategy to help federal and subnational platforms become interoperable and capacity-building activities for public officials.
- 35. **Component IV. Project Management (US\$ 0.15 million).** Project funds will be used to support stakeholder engagement, change management, monitoring and evaluation, financial management and procurement activities provided as part of project management.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

Overall, the proposed project is expected to have social and environmental positive benefits: (i) development of a new career system to cope with existing issues, development of sound legal frameworks for better human resources management, as well as modernization of payroll auditing, among others; (ii) it will allow public procurement processes to be completed faster and with less procedures, which will be reflected in lower costs for citizens and businesses trying



to access services; and (iii) the efficiency gains from improved and digital standardized services combined with increased control, are expected to lead to better performance and use of federal public funds, saving energy and paper consumption by eliminating excessive and unnecessary printed paper.

CONTACT POINT

World Bank

Daniel Ortega Nieto
Senior Governance Specialist

Borrower/Client/Recipient

Brazil Ministry of Economy

Implementing Agencies

Special Secretariat for Debureaucratization, Management and Digital Government/ Especial de Desburoc
Paulo Antonio Spencer Uebel
Secretario Especial de SEDGG
agenda.sed@economia.gov.br

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Daniel Ortega Nieto
----------------------	---------------------

Approved By

Practice Manager/Manager:		
---------------------------	--	--



Country Director:		
-------------------	--	--
