

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	BRAZIL/CSC - Southern Cone
▪ TC Name:	Support to Public Policy Convergence to OECD Practices
▪ TC Number:	BR-T1523
▪ Team Leader/Members:	LAFUENTE, MARIANO (IFD/ICS) Team Leader; CAVAZZONI LIMA, RAFAEL (IFD/CMF) Alternate Team Leader; ORLANDO LIMA (IFD/CMF); CARDOSO ARAUJO, PETALA (CSC/GBR); KATIA RIVERA (IFD/ICS); ROJAS GONZALEZ, SONIA AMALIA (IFD/ICS); MARTINEZ FRITSCHER, ANDRE CARLOS (IFD/FMM); MARIA CRISTINA MAC DOWELL (IFD/FMM); HENNESSEY, MICHAEL P. (IFD/CTI); BRAKARZ, BARBARA (CSD/CCS); FARIAS, PEDRO CESAR L. (IFD/ICS); ROSSI JUNIOR, JOSE LUIZ (CSC/GBR); PIREECK, GUILHERME C. (INT/TIN); SANT ANNA TORRES, NATALIA; VERISSIMO DA SILVA, CAROLINA (LEG/SGO)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	22 Apr 2022
▪ Beneficiary:	Brazil (through the Secretariat of International Affairs at the Ministry of the Economy)
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK (BR-MIECOBR-MINISTÉRIO DA ECONOMIA
▪ IDB funding requested:	US\$200,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	30 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	IFD/ICS - Innovation in Citizen Services Division
▪ Unit of Disbursement Responsibility:	CSC/GBR - Country Office Brazil
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality; Productivity and innovation; Economic integration; Institutional capacity and rule of law

### II. Objective and Justification

- 2.1 Support the Ministry of the Economy's (ME) efforts to adopt good practices from OECD member countries on critical public policies which are under the ME's institutional mandate.
- 2.2 Brazil has been engaging with OECD since 1996. In 2007, Brazil was invited to an enhanced engagement with the OECD, subsequently referred to as Key Partnership. Over the years, Brazil has executed in partnership with OECD more than 30 peer reviews and studies, leading to important reforms. In 2017, Brazil presented its application for OECD membership, and, in January 2022, Brazil received the official invitation from OECD to start the formal accession process.

The 2017 Framework for Consideration of Prospective Members brings a set of requirements to objectively assess the readiness of a country to start the formal

accession process. As of January 2022, Brazil was already very advanced and adhered to almost all established criteria. Out of the 251 instruments and policies that reflect the shared values, vision and priorities of the OECD as adopted by all Members by consensus, Brazil had already complied with 103 of them. It represents the Country with the greatest number of adhered instruments before becoming a member of the Organization.

OECD's instruments are in line with principles and values like: (i) support sustainable economic growth, end poverty and leave no one behind, in line with Agenda 2030 and the Sustainable Development Goals, (ii) protect the environment and improve the lives and prospects of everyone, inside and outside the OECD; (iii) the value of open, trading, competitive, sustainable and transparent market economies; (iv) the need of whole-of-economy policy measures aligned with the goals of the Paris Agreement and in particular the goal of achieving global net-zero greenhouse gas emissions by 2050 through deep emissions enabled by public and private investments; (v) the importance for each country to adopt and fully implement public policies in line with its climate goals, including reversing and halting biodiversity loss and deforestation as agreed during COP26 in Glasgow, and taking effective actions to translate this to the ground; (vi) the importance of international collaboration to work for an inclusive digital economy; (vii) the importance of strengthening rules-based multilateral trading system with the World Trade organization at its center, opposition to economic coercion, the levelling of the international playing field through increased competition, better integration of Small and Medium Enterprises (SMEs) into global value chains and the dismantlement of unnecessary barriers to the international trade, which benefits consumers and promotes economic growth and innovation; and (viii) the importance of investing in quality infrastructure in a transparent, accountable and inclusive way.

In the beginning of the accession process, Brazil will have to prepare an initial memorandum, which is a document that brings the country's position to each of the 251 OECD legal instruments in force, pointing any initial reservation. The OECD will prepare an Accession Roadmap, with the different reviews needed under each of its 34 thematic committees. These reviews will make recommendations for convergence to OECD's practices. In addition to the government's key role leading the process, participation from the society is also an important element, including the private sector, trade unions, academic institutions and think tanks, among other.

### **III. Description of Activities and Outputs**

- 3.1 **Component I: Technical assistance for public policy convergence to OECD practices.** The objective of this component is to provide technical assistance to identify the main gaps in policies and practices for OECD convergence, and support technical efforts to address them through studies, policy notes and proposals in prioritized policy areas under the ME's institutional mandate.
- 3.2 **Component II: Workshops for dissemination and collaboration.** The objective of this component is to disseminate knowledge and promote engagement of relevant stakeholders related to the convergence to OECD policies and practices.
- 3.3 **Component III: Institutional Strengthening of ME's Secretariat of International Affairs (SAIN).** The objective of this component is to strengthen SAIN's institutional capacity for the coordination and adoption of these good practices.

#### IV. Budget

Indicative Budget (In US\$)

Activity/Component	IDB/Fund Funding	Total Funding
<b>Component I.</b> Technical assistance for public policy convergence to OECD practices	140,000.00	140,000.00
<b>Component II.</b> Workshops for dissemination and collaboration	30,000.00	30,000.00
<b>Component III.</b> Institutional Strengthening of ME's Secretariat of International Affairs (SAIN)	30,000.00	30,000.00
<b>Total</b>	<b>US\$200,000.00</b>	<b>US\$200,000.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 Upon request of the Brazilian government, the Bank, through its Innovation for Citizens Services Division (IFD/ICS), will execute this TC.
- 5.2 The Bank's execution is justified to ensure the achievement of the project's objectives in the timeline established by the Federal Government. The Bank's execution will allow for a more dynamic technical assistance, compared to the complex administrative requirements associated to an execution by the Federal Government. In addition, the Bank's execution is justified due to the highly technical content of the work, encompassing several policy areas. The Bank's execution will allow for a rapid identification and hiring of consultants and OECD practitioners with in-depth experience in the prioritized areas.

#### VI. Project Risks and Issues

- 6.1 **Political risk.** Considering Brazil's general elections in October 2022, and the possibility of a new government taking office in January 2023, there is a possibility that the OECD accession agenda is not prioritized under the new administration. Considering Brazil's work with OECD for over 20 years, the fact that the accession request was submitted by a previous administration, and the fact that most OECD policies and good practices are based on international agreements signed by the Brazilian government, this risk is considered to be low. To mitigate this risk, the project's activities are being designed in a flexible way. This will allow to adapt the emphasis of the technical assistance on the different policy areas based on the new administration's priorities.
- 6.2 **Operational risk.** The fact that there are several policy areas which could be prioritized could lead to a demand which exceeds the available resources. To mitigate this risk, all activities of the TC will be planned and approved by SAIN, ME's coordination unit for OECD's access, before engaging in any commitments

#### VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".