

---

*THE “CRESCER” PROGRAM IN BRAZIL*

---

Facing – as most emerging economies that are producers of commodities, in recent years – a fiscal disequilibrium of serious proportions the Brazilian Government is adopting a fiscal consolidation program aiming at restoring fiscal creditworthiness, a precondition to deal with constraints to growth.

It is expected that this adjustment policy, coupled to a clear signaling with regard to a new approach towards private investors will contribute to reestablish trust between the public sector and the private initiative, both national and foreign.

Recovery of international trade, a more favorable approach towards trade relation with several parties and an emphasis in infrastructure investment will be the main engines of recovery in the years to come.

After a number of years of low investment in infrastructure the Brazilian economy has increased its need to overcome a series of constraints in this area. The present administration has unlocked several investment projects that are still only on paper in most of the highway concessions granted in the past, improving the conditions to assure feasibility of the projects. It has also signaled with projects in other areas, such as allowing for private administration of airports.

After lengthy technical debates involving government technical staff as well as regulatory and controlling agencies there has been a significant change in the way the Brazilian Government will deal with concessions.

Reducing the number of priority projects previously announced allows for a more clear focus on the technically and economically feasible projects, hence increasing the chances of an improvement of the services rendered. One basic condition is that this project portfolio will be managed with maximum transparency and efficient governance. Participation in those projects

are to be announced in both Portuguese and English, and potential investors will be allowed a good deal of time to take their decision.

A number of initiatives contribute to modernizing the governance of the projects and improve the regulatory framework so as to create a friendly environment that should foster the chances of actually attracting private investors. The new guidelines will ensure that concessions will be granted under a healthy spirit of competition on the part of entrepreneurs, and transparency and predictability on the part of the government.

The present Administration has, among its basic targets, the objective of creating favorable conditions to foster the pace of economic growth, thus creating the increasingly needed jobs, at the same time that will improve the conditions to providing the citizens with what they need most – better health services, better education and opportunities for a better life.