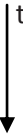


## Agrarian Reform

Since 2007, the Agrarian Reform is considered by the Brazilian Court of Audit (TCU) as a **Theme of Greater Significance (TMS)** due to the verification of failures repeatedly identified in recent years concerning the development of the **Second National Plan for Agrarian Reform**



**Plan created in November 2003. It is currently used as a guideline of the policy of agrarian reform in Brazil. It provides a series of actions to promote the Access to land, to generate income and to fundamental rights, such as: health, education, energy, sanitation.**

**TCU's initiative aiming at prioritizing the actions of external control regarding issues of great interest to the society.**

The table below shows, from audits carried out, a brief scenario of the main advances regarding actions of the agrarian reform and the respective issues deserving attention by the responsible agencies in order to avoid waste of public resources.

Action	Main progress	Points of Attention
<b>Planning and Financial Execution</b>	<ul style="list-style-type: none"> <li>• Creation of the Food Acquisition Program (PAA) in the PPA 2008/2011, which allows the marketing of the production of the settlers with simultaneous donation for persons at risk of food deprivation, in a joint action of the Ministry of Agrarian Development (MDA), National Company of Food Supply (Conab) and Ministry of Social Development (MDS);</li> <li>• Increase of the budget for rural extension activities;</li> <li>• Increase of the budget for planning and management activities of the national land structure, essential for obtaining land resources with economic efficiency;</li> <li>• Increase of the budget for infrastructure activities.</li> </ul>	<ul style="list-style-type: none"> <li>• Irregularities in the contracts that transfer funds for the rural extension;</li> <li>• Vulnerability of the database on the market of land resources for agrarian reform, inflating the cost of obtaining it and preventing efficient planning;</li> <li>• Vulnerability of the database on Settlement Projects and beneficiaries, which prevents the efficient allocation of resources and improvement in operation;</li> <li>• Enrollment in Not Processed Balance Payable of 41% of the OFSS resources of 2009, impacting negatively the budget execution of next year.</li> </ul>
<b>Management and System of the National Land Structure</b>	<ul style="list-style-type: none"> <li>• Noncompliance with the mandatory certification of rural property by either private individuals and the Government (art. 10 of Decree No. 4.449/2002);</li> <li>• Risks of fraud in the conduct of certification processes, due to deficiencies in the document management and performance of third parties in the Regional Superintendencies;</li> <li>• Failures in the operationalization of activities hamper the use of the information of the National Rural</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of restriction to agriculture credit;</li> <li>• Risk of restriction to new investments;</li> <li>• Risk of impossibility of using the SNCR information for agrarian reform;</li> <li>• Increase in the risk of environmental damages;</li> <li>• Possibility of increasing illegal deforestation;</li> <li>• Risk of damage to national security.</li> </ul>

Register (SNCR) for planning the implementation of public policies for the field, public security, rural development and fighting poverty.

**Acquisition of Property for Agrarian Reform and Implementation of Settlement Projects**

- Increase in the number of beneficiaries from Agrarian Reform, as a result of the democratization of the sector's policy.
- Excessive interference by social organizations and political groups in the strategy of obtaining property and elaboration of the list of beneficiaries to the detriment of technical criteria;
- Lists of beneficiaries do not comply adequately with the constitutional principles of transparency and equality and the preference criteria laid out in Article 19 of Law No. 8.629/1993 generating risks of non-compliance in the process of settlement of families and high rates of abandonment and sale of property of agrarian reform;
- Low recovery and repossession of property sold illegally or abandoned on Settlement Projects already implemented.

**Development, Consolidation and Emancipation of Settlement Projects**

- Creation by the National Institution of Agrarian Reform (Incra) of the systematics for measuring performance indicators requested by TCU in Normative Ruling, which will make it possible to clearly define the goals and performance benchmark in the agrarian reform.
- Dispersed location and difficulty to access the Settlement Projects, making difficult the systematization of actions to consolidate the settlements;
- Discontinuity of actions/investments, mainly in infrastructure for the flowing of production, technical assistance and other areas;
- Inadequate management of the production unit by the settler and the insertion of their products on the market;
- Improprieties in the implementation of specific credits for agrarian reform;
- Irregular use by the beneficiaries of protected areas, leading to environmental degradation;
- Operationalization of the management of Settlement

Projects of Agrarian Reform does not follow the incorporation of new areas and beneficiaries in the National Agrarian Reform Policy (PNRA);

- Insignificant numbers of emancipation of Settlement Projects, which makes questionable the results of the current PNRA.

**Controls, Information Management and Accounting**

- New internal standard in the area of IT Governance of Incra will allow the development of more efficient and safe systems
- Task Force to review agreements in stock in some of the Regional Superintendencies of Incra.

- Low focus in the final areas of Incra by Internal Control, making inefficient the prevention of irregularities in agrarian reform;
- Low reliability of Incra's databases due to poor control;
- Entering into agreements with private entities with no operational capacity to fulfill its purpose;
- Omission by INCRA, with lack of systematic collection of credits of Agrarian Reform, whose amount was more than R\$14 billion as of December 2009 and annual growth of over R\$1 billion.
- Lack of accounting for land assets held by the INCRA and its improvements incorporated in the entity's accounting records, prevented the proper appropriation of costs and the measurement of efficiency in the use of public property held by the individual.

Despite advances in the democratization of land use over the past five years, some areas deserve attention. If the present situation continues, the current growth picture of the number of settlers in the National Agrarian Reform Policy, year after year, without causing the economic independence of older beneficiaries, the operational structure of the Incra becomes increasingly demanded. This can lead to unsustainable PNRA of Brazil and, consequently, waste of public resources.

**Access the full chapter on Thematic Area: Agrarian Reform in the full version of the Preliminary Report and Opinion on the General Government Accounts of the Republic: [www.tcu.gov.br/contasdegoverno](http://www.tcu.gov.br/contasdegoverno)**