SUSTAINABILITY IN FEDERAL PUBLIC ADMINISTRATION

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Brazil. The Federal Court of Accounts.

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The process related to this audit (TC 006.615 / 2016-3) was considered in a Plenary session, 05/24/2017, under the report of the Substitute Minister André Luís de Carvalho, resulting in the Judgment 1,056 / 2017-Plenary.

DEAR READERS,

It is with great satisfaction that I present the result of the audit conducted by the Federal Court of Accounts (TCU) on sustainability in federal public administration.

It was possible to assess in this audit, with the effort of the technical teams, several organs and entities of the Administration in a standardized way, which allowed the establishment of an unprecedented diagnosis of the level of implementation of sustainable measures.

TCU devised the Sustainability Monitoring Index in Administration (IASA) to assess the adoption of sustainability measures, a method for assessing the implementation and management of sustainability practices.

IASA works with an assessment scale (0 to 3), which allows to classify the implementation of sustainable measures in three bands: red, yellow and green, corresponding respectively to low, medium and high levels of implementation and management of these practices.

Hence society and control institutions will be able to follow the progress of the implementation of sustainable actions in the scope of federal public administration, primarily with regard to the rationalization of the consumption of inputs, such as water, paper and electricity, as well as the compliance with other sustainability requirements, such as the emission of greenhouse gases, use of more efficient buildings, compliance with accessibility criteria, etc.

As a result, TCU contributes with solutions and enhancements for the improvement of measures in search of the sustainable development of Brazil.
DEAR READERS,

It is with great satisfaction that I see the results TCU has promoted with regard to the implementation of sustainability actions by federal public administration.

I was able to see how sustainability would become one of the values ingrained in public administration since I started TCU’s first work on this subject in 2010, which resulted in the Judgment 1,752/2011-TCU-Plenary.

However, much remains to be done according to the results of this audit, which revisited the subject and identified that important progress already made has not been reflected in its practical implementation.

One good example is the sustainable public procurement, which at the present time accounts for less than 1% of all federal contracts, as well as the required implementation of sustainable logistic management plans, carried out by only a small part of the public administration.

However, I believe that with TCU’s new pronouncement on sustainability, materialized on the Judgment 1,056 / 2017-TCU-Plenary, the public administration will realize the importance of conducting its actions in a more rational and sustainable way, in line with the basic principles of advertising and efficiency.

Enjoy it!
SUMMARY

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INTRODUCTION

The present scenario of non-renewable resources and the development of socio-environmental awareness in institutions have made sustainability practices receive special attention. This work started in pursuit of the improvement of management and in support of the rationalization of the consumption of inputs and the reduction of waste.

In the international scenario, sustainability is part of the global agenda called Sustainable Development Goals (SDGs) with 17 goals and 169 targets on various subjects. The topic of this audit is included in SDG 12 - Sustainable Consumption and Production Patterns, with a special focus on target 12.7, aimed at promoting sustainable public procurement processes.

The interface with the Paris Agreement also stands out, which aims to limit the average global warming, taking account of the positive impact that the
rationalization of the consumption of inputs such as electricity, water and disposable products has in the generation of electricity and consequent emission of greenhouse gases.

In view of the lack of assessment of sustainability actions to be implemented by public institutions carried out by the Administration, TCU developed the Sustainability Monitoring Index in Administration (IASA) aimed at assessing the progress of these measures. Considering that the IASA has an assessment scale ranging from 0 to 3 and that federal public administration obtained an average score of 1.64, there is a clear need for greater engagement of institutions in sustainability actions, presenting the Administration with great improvement opportunities so that the desirable upper band score can be achieved.

Consequently, the audit provides an outlook of the sustainability actions in federal public administration from a global trend perspective. Furthermore, the insertion of sustainability values to the Administration promotes transparency in public spending and efficiency gains as this approach is linked to social responsibility.

**Figure 1:** TCU’s operation with the organs and entities of federal public administration, aimed at verifying the adoption of social, economic and environmental values by these institutions, which make up the tripod of sustainability and social responsibility.
The assessments carried out previously by TCU of actions to optimize water, electricity and paper consumption in 2010 had a strong impact on the way in which the Administration manages its resources. The Decree 7,746 / 2012, which may be cited as a landmark of sustainability in public administration, was enacted even as a result of the notes present in Judgment 1,752 / 2011-TCU-Plenary.

Among the main innovations brought by the aforementioned decree, the following stand out:

- Institutionalization of sustainable public procurement in the Law for Bidding and Procurement (article 3 of Law 8.666 / 1993);
- requirement of sustainable planning through the work of Sustainable Logistic Management Plans (PLS - article 16 of Decree 7.746 / 2012); and Sustainability Audit in Federal
Public Administration – Impacts of previous work carried out by TCU 10/11
• Establishment of an advisory commission with representatives of eight ministries, the Joint Ministerial Sustainability Commission in public administration (CISAP - arts 1 and 11 of Decree 7,746 / 2012).

The normative progress experienced since 2010 due to the implementation of sustainability in public administration, with emphasis on the progress occurred after Judgment 1,752 / 2011, is presented in figure 2.

Figure 2: Timeline of the regulations involved with the sustainability subject, as of 2010.

IN SLTI / MP 1/2010: criteria for environmental sustainability in procurement processes; Law 12,305 / 2010 and Decree 7,404 / 2010: Establish the National Solid Waste Policy (PNRS); Decree 7,405 / 2010: development of the Pro-waste picker Program and the Joint Ministerial Committee for Social and Economic Inclusion of Reused and Recycled Materials Pickers; Judgment 1,752 / 2011-TCU-Plenary: first audit of TCU in sustainability; Decree 7,746 / 2012: sustainable procurement in APF and development of CISAP; Joint Ministerial Ordinance 244/2012: Development of the Sustainable Esplanada Project (PES); Ordinance MP / SLTI 41/2012: Bylaw of CISAP; IN MP / SLTI 10/2012: Rules for the development of Sustainable Logistic Management Plans (PLS);

IN MP / SLTI 2/2014: Projects for procurement processes; Ordinance MP 23/2015: Best practices of management and monitoring of electricity and water consumption; Resolution CNJ 201/2015: Development and competences of the socio-environmental units or centers in the organs and councils of Judiciary Power and implementation of the respective Sustainable Logistic Plan (PLS-PJ); Resolution TSE 23.474 / 2016: Development and competences of the socio-environmental units or centers in the Electoral Courts and implementation of the respective Electoral Justice Sustainable Logistic Plan; Internal Joint Ordinance MP 8/2015: Establishment of the indicators for monitoring the consumption of Electricity and Water in APF; Decrees 8,539, 8,540 and 8,541 / 2015: Use of electronic process;

Rationalization of corporate cell phones; and Rationalization of transport using commercial vehicles and air tickets; INDC Brazil: 21st Conference of the Parties (COP 21) of the United Nations Framework Convention on Climate Change.
The work sought to provide an outlook of the progress of sustainability in federal public administration. In this regard, it was found that most of the organs and entities of public administration did not advance significantly in the implementation of actions aimed at promoting sustainability.
SUSTAINABILITY MONITORING INDEX IN ADMINISTRATION

In order to verify the level of implementation of sustainability actions by the federal public administration, and taking account of the fact that the administration does not carry out this type of follow-up, this audit put forward the development of the Sustainability Monitoring Index in Administration (IASA), obtained through research undertaken among more than 100 institutions of the federal sphere presenting greater relevance in the water, electricity and paper spending or members of the previous audit.

IASA was set as the average of eleven criteria / thematic axes established in the audit in order to assess sustainability in federal public administration and due to the scope of the subject. The eleven thematic axes of sustainability assessed in this work were divided according to Table 1.

Taking an assessment scale from 0 to 3 in the actions present in the eleven thematic axes of sustainability addressed in this audit, the average obtained by the Institutions representing the Three Powers (Executive, Legislative and Judiciary) that responded to the questionnaire was 1.64, which places the federal public administration within an intermediate performance band (yellow level, from 1 to 2), demanding attention so that the actions reach the upper band, represented by the score from 2 to 3 (green level). The red level is represented by the score from 0 to 1.

The results obtained in the assessment by the IASA can be seen in Figure 3, which presents the average scores of all 101 institutions assessed according to each of the eleven thematic axes studied.

<table>
<thead>
<tr>
<th>Table 1: Thematic axes of sustainability adopted in the audit.</th>
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<tr>
<td>1. development, implementation and monitoring of PLS;</td>
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<td>2. rationalization of electricity consumption;</td>
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<td>3. rationalization of water consumption;</td>
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<td>4. meeting accessibility requirements;</td>
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<td>5. certification of public buildings;</td>
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<td>6. rationalization of paper consumption and implementation of electronic process;</td>
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<td>7. waste management and selective waste collection;</td>
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<td>8. sustainable public procurement;</td>
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<td>9. mobility and greenhouse gases;</td>
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<td>10. raise awareness and qualification; and</td>
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<td>11. engagement in sustainability programs.</td>
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It is worth commenting on the performance of the indicator related to the Sustainable Logistic Management Plan (PLS), which has a great influence on the other indicators, since the planned sustainability actions for the other 10 indicators must be specified in the PLS.

Both the PLS indicator and the average IASA were assessed within the same band score (intermediate band). The average IASA reached 1.64, while the PLS indicator was 1.39. The proximity of the scores presented to the IASA, which is the average of the eleven indicators, and the indicator related to the PLS, which encompasses the actions of all thematic axes addressed, prove the importance that the PLS has on the implementation of the assessed indicators.

On the other hand, only two of the eleven indicators reached the necessary score in the upper band: accessibility – 2.23; and paper – 2.30.

One of the reasons for a good score in accessibility in the IASA is due to the existence of the Law
for the Inclusion of Persons with Disabilities (Law 13.146 / 2015), despite the many challenges still present to be overcome in this area. On the other hand, the indicator related to paper presented a good result in view of some practices which have had great repercussion in the consumption of paper, such as the reduction in the number of printers per server and the implementation of electronic work systems in the public institutions.

On the other hand, the indicator for engagement in sustainability programs had the lowest score (0.98), which can be explained by the fact that the engagement in these programs (A3P, PES, PROCEL Edifica and PEG) is voluntary, together with the ignorance of the positive effects that such engagement can bring to the organ.

It is also pointed up that the engagement in sustainability programs leads the organ to the knowledge of good practices and the strengthening of sustainable management communities, as well as to the spread of efforts and multiplication of the results from the implementation of sustainability practices.

In the following figure it is possible to see how each of the Three Powers, Executive (78 organs), Legislative (3 organs) and Judiciary (20 organs), was placed within the IASA band score. As can be seen, much of the federal public administration has an intermediate level of implementation of sustainability actions.

Figure 4: Distribution of the 101 respondents from the Executive, Judiciary and Legislative Powers in the band scores.
The intermediate level of implementation of sustainability actions stems from structural failures identified throughout the audit. These causes were grouped together constituting the main findings of this work:

- **lack of action at the central level of government.**
- **little progress in the adoption of sustainable criteria and practices in procurement.**
- **incipient level of implementation of actions aimed at the use of more efficient and sustainable public buildings.**
- **deficiencies in the initiatives related to waste management and the implementation of solidary selective waste collection.**

The findings are discussed next.
ISAP’s lack of action since the end of 2014, which was pointed out by the assessment carried out and the information gathered in this audit, has impacted the implementation of sustainability actions negatively in the public service. Among the components of governance that contribute to the success of public policies, the lack of coordination and consequent lack of leadership in the planning and implementation of actions and policies, resulting from CISAP’s lack of action, have brought about difficulties in the progress of planned actions.

One of the consequences that can be cited is the lack of centralized and coordinated monitoring and assessment, which can be achieved through...
the development of a system for monitoring and assessing sustainability actions and the progress itself made in the implementation of PLS by public institutions.

CISAP, the Joint Ministerial Sustainability Committee in public administration, is the commission responsible for promoting sustainability in federal executive branch, and its work enables the development of projects in the areas of sustainable public procurement, efficient buildings, solid waste management, in addition to being the main actor in the governance of sustainability policies.

Hence, CISAP’s lack of action also influences negatively the implementation of actions related to the certification of sustainable buildings, since there is no centralized monitoring to verify how the organs are committing to the required certifications. The lack of centralized monitoring also contributes to the ignorance of consumption parameters of inputs, such as water and electricity, which are necessary to better plan their rationalization actions.
According to the data contained in the questionnaire, it can be concluded that for the period from 2011 through 2015, the measures implemented had an effect on the reduction of physical consumption of water, electricity and paper per employee. The water and electricity reductions were both at the same order of magnitude, ranging from 5% to 6%.

On the other hand, the reduction concerning the consumption of paper was more pronounced, reaching an economy of approximately 30%, due to practices linked mainly to the implementation of electronic process in much of the public administration.

However, despite the result obtained for the volumes consumed (m³ of water, kWh of electric power, reams of A4 paper, etc.), the spending increased in the same period for water and electricity inputs because of the increase in the rates charged by the electricity distribution companies. For paper, there was both a reduction in its consumption and in its spending. These findings can be verified in the graphs of Figure 5.
Figure 5: Water, electricity and paper consumption data per employee from 2011 through 2015.

Therefore, it is important to adopt rationalization actions in the consumption of inputs such as water, electricity and paper, since even with the reduction of their physical consumption per employee, there was an increase in spending, which would be even further increased in the absence of rationalization actions.

Another important finding is the need to establish consumption parameters of the public administration, which can guide the implementation of rationalization actions aimed at achieving more sustainable consumption levels.
DEFICIENCIES IN SUSTAINABLE PUBLIC PROCUREMENT AND IN WASTE MANAGEMENT AND SOLIDARY SELECTIVE WASTE COLLECTION

It was found that the sustainable public procurement still does not reach a representative percentage in the amount of procurement processes carried out by the Federal Government, since they do not exceed 1% of the amount of acquisitions and procurement, presenting, therefore, great potential for exploration.

The lack of definition of sustainability criteria, even in the catalogs of materials and services...
that the Administration uses for its procurement processes, together with the freeze on CISAP activities and the non-mandatory annual planning of procurement by APF’s organs, have contributed to the timid impetus given to the sustainable public procurement.

Regarding the solidary selective waste collection, it was found that the Joint Ministerial Committee for Social and Economic Inclusion of Reused and Recycled Materials Pickers (CIISC) is not active, which has contributed to the lack of processing, follow-up and monitoring of the information sent by the Solidary Selective Waste Collection Commissions of APF’s organs. The failure to develop waste management plans, as recommended by the law on solid waste (Law 12,305 / 2010), is also a major problem in this area.
Conclusion
This audit is part of the consolidation strategy of a socio-environmental awareness in APF’s organs and entities, promoting the implementation of sustainability practices in the pursuit of their management improvement. Thus, the work carried out assessed the level of implementation and the level of management of the actions developed by APF to promote sustainability in its institutions.

Therefore, with the intent to meet the objective of the audit, an outlook of the initiatives adopted by the Three Federal Powers was presented. In order to assist in the building of this profile and taking account of the lack of monitoring of sustainability actions by the central organs and commissions responsible for the subject in the Administration, the Sustainability Monitoring Index in Administration (IASA) was developed during this work. The Index is composed of eleven thematic axes of the area due to the transversality and diversity of subjects involved.

Since the federal public administration obtained an average score of 1.64 at the IASA, we see the need for greater engagement of institutions to sustainability actions, so that the Administration includes in its values the issue of sustainability and social responsibility.

In this regard, the main justifications for the unsatisfactory performance of federal institutions in the implementation of sustainability actions found in the audit were:

- lack of action at the central level of government.
- little progress in the adoption of sustainable criteria and practices in the procurement processes of APF.
- incipient level of implementation of actions aimed at the use of more efficient and sustainable public buildings in APF.
- deficiencies in the initiatives related to waste management and implementation of solidary selective waste collection in APF.
Taking account of the normative guidelines which propose adopting sustainable measures, and in view of the current framework of APF, TCU informed the audited entities the outlook found and made some decisions to enhance the implementation of sustainable measures, through its Judgment 1,056 / 2017-Plenary. In addition, taking account of the low level of implementation of sustainable actions, TCU asked the main management organs of sustainability actions in APF to resume the activities of the Joint Ministerial Sustainability Commission in public administration (CISAP) and the Joint Ministerial Committee for Social and Economic Inclusion of Reused and Recycled Materials Pickers (CIISC) and to address gaps in legislation.

This organ also determined that the training programs for the managers involved with the subject matter must be increased, together with the awareness campaigns for the group of employees that make up APF, as well as the dissemination of existing good practices.

Finally, TCU asked the responsible organs to study and implement an integrated and centralized system for monitoring the sustainability actions carried out by APF, in addition to monitoring the consumption of inputs.
EXPECTED AND ACHIEVED BENEFITS

It is expected that the adoption of these measures may contribute to a higher level of implementation, monitoring and assessment of the actions and policies of sustainability in APF so as to align their way of acting with the socio-environmental values, which are inherent to entities that defend the promotion of sustainability, besides social responsibility, in the execution of its activities.

One of the results of this work is the return of CISAP activities, with its first meeting held on August 25, 2017, after a freeze of three years on its activities. It should be noted that CISAP’s actions are intended to be guided by, for example, the resolutions present in the aforementioned Judgment 1,056 / 2017-Plenary.

The minutes of the meetings held by CISAP can be accessed at the following internet address: http://cpsustentaveis.planejamento.gov.br/cisap
In order to present to society the results of this sustainability audit and the respective Judgment 1,056 / 2017-TCU-Plenary, in addition to the initiatives of other institutions that stand out in the planning and implementation of sustainability actions, TCU held in partnership with the Supreme Court of Justice, the Superior Electoral Court and the Federal District and the Territories Court of Justice, the event “Sustainability in Public Administration & IV Seminar on Sustainable Planning of the Judiciary”. The seminar took place on the premises of TCU’s School of Government - Serzedello Corrêa Institute (ISC), between June 20 and 22, 2017.

Given the importance of the subject, its scope and transversality, TCU received an impressive number of participants. In all, more than 1,400 enrollments were made, reaching more than 640 people, representatives of more than 200 institutions.

The content of the lectures is available on TCU’s events page (<http://portal.tcu.gov.br/eventos-1/sustentabilidade-na-administra-cao-publicaeivseminariodeplanejamentosustentavel-no-poder-judiciario.htm>). The whole event was recorded and the videos are available on TCU YouTube channel, found by searching for the terms “TCUOficial” and “sustentabilidade “ (20/6/2017: <https://www.youtube.com/watch?v=n-BplewsnM>; 21/6/2017:<https://www.youtube.com/watch?v=oyFETYDciVc>;22/6/2017:<https://youtu.be/nVS_TUF504>.)

Judgment 1,056 / 2017-TCU-Plenary and report of the respective audit can be viewed at the following address: <http://portal.tcu.gov.br/biblioteca-digital/auditoria-operacional-em-sustentabilidade-na-administracaopublica-federal-1.htm>

It is worth mentioning that TCU’s actions, in order to encourage the implementation of sustainability actions in public administration, do not end with the conclusion of the audit. Plans: the carrying out of training actions, such as the development of courses by ISC in sustainability; the promotion of smaller events in the format of Public Dialogue; the promotion of a sustainability network within public administration; and the monitoring of the aforementioned Judgment 1,056 / 2017.

In order to promote the audit and its main findings, an infographic, a communication tool that uses graphic components, was devised to provide a quick summary of the main results of the audit and the resolutions present in Judgment 1,056 / 2017.
The Federal Court of Accounts Executive Summary

**Budget constraint**
- Limited natural resources
- Inducing power of public procurement

**Need for social inclusion**

**20% of GDP**

Sustainability Monitoring Index at APF

IASA Overall Average = 1.64

0 to <1: lower band
1 to <2: intermediate band
2 to 3: upper band

Judgment 1056 / 2017- TCU - Plenary
TC 006.615 / 2016-3
Rapporteur: Substitute Minister André Luís de Carvalho
www.tcu.gov.br

**MAIN FINDINGS**

- Unsatisfactory implementation of sustainability actions by Federal Public Administration due to lack of planning, coordination and engagement in sustainable development requirements.
- Less than 1% of Public Procurement are Sustainable Public Procurement (CPS)
- Lack of a socio-environmental center makes sustainability actions difficult

**TCU’S MAIN DETERMINATIONS**

- Resumption of the activities of the Joint Ministerial Sustainability Committee (Cisap);
- Requirement of inclusion of PLS in the planning of Federal Public Administration institutions (APF);
- Requirement of creation of a center of sustainability in the structure of APF’s institutions; and
- Improvement of sustainability criteria and practices in public procurement.
ACKNOWLEDGMENTS

The effective engagement and mutual assistance of the actors involved in the process were fundamental to enable the Sustainability Audit in federal public administration.

Finally, this work is aimed at all those who, aware of the importance of sustainable development to build a future replete with responsible progress, believe in the conciliation between APF and the adoption of sustainably responsible measures.
MISSION
Improving the Public Administration for the benefit of society through external oversight

VISION
To be a reference in promoting an effective, ethical, agile and responsible Public Administration

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