INFRASTRUCTURE & PROJECTS

CLIENT ALERT

FEBRUARY/2020

BRAZIL'S MINISTRY OF ECONOMY STRENGTHENED WITH NEW PREROGATIVES IN PPI COUNCIL

Created in May 2016 during the administration of President Michel Temer and governed by Law No. 13,334, the Investment Partnerships Program ("**PPI**") aims to expand and strengthen the interaction between the State and the private sector through PPP contracts for the execution of public infrastructure projects and other privatization measures. A positive diagnosis of the PPI's initial achievements led the Brazilian government to maintain and expand the program in the current administration, with some statutory adjustments introduced in November 2019 (Law No. 13,901).

Published on February 19, 2020 with immediate effect, Decree No. 10,245 ("**Decree**") revises important aspects of the functioning of the main governance body of the PPI – the PPI Council – with the following highlights:

1. The Decree spells out new attributions for the PPI Council to better fulfill its mission of providing immediate assistance to the President of the Republic in the establishment and monitoring of PPI actions. For example, the PPI Council has the authority to give an opinion, prior to the deliberation of the President of the Republic, on the proposals of the competent bodies or entities to define **(i)** long-term federal policies for investment through partnerships and for privatization, **(ii)** federal policies to foster partnerships in public infrastructure enterprises in the States, the Federal District or Municipalities and **(iii)** engineering works and services of strategic interest. It also starts to be able to formulate proposals and reasoned representations to the executive heads of the States, the Federal District and the Municipalities, as well as recommendations and normative guidance to the organs, entities and authorities of the federal public administration in Brazil.

2. The PPI Council also receives relevant attributions specifically in the transport sector: **(i)** proposing measures that favor the integration of air, water and land transport and the harmonization of its sectoral policies; **(ii)** defining the multimodal transport logistics elements to be implemented by public administration bodies or entities; **(iii)** harmonizing national transport policies with the transport policies of the States, the Federal

PRACTICE AREA
Infrastructure & Projects

COORDINATION
Ana Carolina Barretto
Marcos Ludwig

For further information, please send a message to **news@veirano.com.br**

This document was prepared exclusively for informational purposes and does not constitute legal advice or an invitation to an attorney-client relationship. If you have any questions, our lawyers are available for clarification.

The reproduction or publication of this content is permitted, as long as followed by this copyright notice:
© Veirano Advogados.

© 2020 Veirano Advogados.
All rights reserved.

District and the Municipalities, with a view to articulating the bodies responsible for the management of road systems and the regulation of interstate, intercity and urban transport; **(iv)** approving, in accordance with regional characteristics, policies for the provision of transport services to the most remote or difficult to access areas of the country and submit specific measures to that end to the President of the Republic; and **(v)** approving the periodic revisions of the transport networks that cover the different regions of the country and propose to the President of the Republic and the National Congress changes to the National Transportation System as required by national interest.

3. Regarding its composition, the PPI Council is now no longer chaired by the President of the Republic, but by the Minister of Economy. The President of the Republic maintains the prerogative to direct the meetings of the PPI Council, but may be replaced by the Minister of Economy.

4. The Decree establishes several prerogatives for the President of the PPI Council (Minister of Economy), including **(i)** defining the specific objectives of the technical committees and the deadline for completing their work; **(ii)** calling PPI Council meetings at any time; **(iii)** deciding in cases of urgency and relevant public interest, together with the Minister of State holding the corresponding sectorial portfolio, *ad referendum* of the PPI Council at the first subsequent meeting; and **(iv)** having the casting vote in the event of a tie in PPI Council deliberations.

In the new governance structure of the PPI, the Ministry of Economy gains additional strength. The conditions seem favorable to the greater agility that the Brazilian government has announced it wishes to give to the implementation of partnership projects in the infrastructure sector and, mainly, to privatization initiatives.

Marcos Ludwig
marcos.ludwig@veirano.com.br