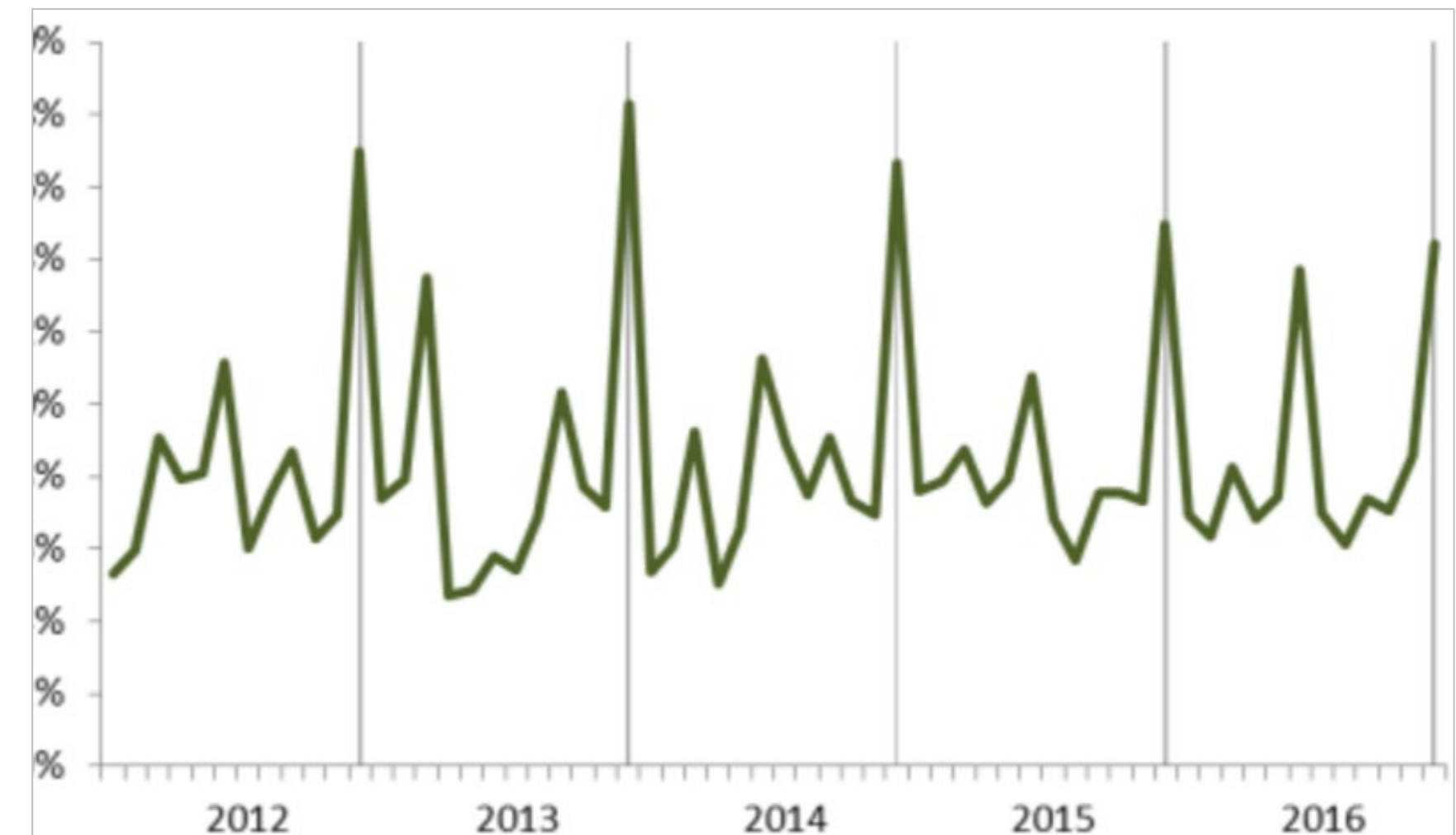


## Abstract

- This research compares Brazil's annual budgeting system to alternatives to identify the most effective approach for funding the Brazilian Navy's strategic defense projects, addressing whether the current system meets the needs of significant multi-year projects.



*U.S. DOD Obligation by Month. O&M funds. Monthly Percentage of FY Total, Gray Lines Indicate the transition of fiscal years.*



*Expect Financial Percentage and Financial Percentage Realized (Green line). Brazilian Navy Submarine Program*

## Methods

- Qualitative approach to examine implications of annual budgeting on Brazilian Navy investments
- Budget process in Brazil and the United States compared
- Data gathered from Brazil National Treasury to assess execution of BN capital budgeting

## Results & Their Impact

- Annual budget affects Brazilian Navy strategic projects' progress
- The Brazilian Navy must redo programs plan yearly to match authorized funds, which is time-consuming
- Issues with Remains Payable - unrestricted, overloads the following budget and short duration for long projects
- Measures implemented by the Brazilian Navy minimize side effects of the annual budget, reducing rushed obligations at fiscal year-end

## Recommendations

- Implement a multi-year budgeting system experimentation for long-term defense projects
- Redesigning the use of Remains Payable
- Explore adopting a budgeting model similar to the U.S. system, approving necessary resources at once