Integrating the SDGs into Brazil's Public Budget: Pathways for Sustainable Governance toward COP30

Pedro de Morais Godinho
Master's Student, Master's Program in Public Administration, University of Brasília (UnB)
https://orcid.org/0009-0005-3965-8816
E-mail: pedro_mgodinho@hotmail.com

Diana Vaz de Lima
Professor, Master's Program in Public Administration, University of Brasília (UnB)
https://orcid.org/0000-0002-4477-445X
E-mail: diana_lima@unb.br

Abstract
This article examines Brazil's recent efforts to integrate the Sustainable Development Goals (SDGs) into its federal planning and budgetary systems, with emphasis on the 2024–2027 Multi-Year Plan (PPA). Through qualitative and exploratory documentary analysis, it assesses the methodological design adopted to associate government programs with the SDGs, identifying advances, limitations, and opportunities for improvement. The study argues that the PPA represents an important innovation in policy coherence but remains limited in its translation to the Budget Guidelines Law (LDO) and the Annual Budget Law (LOA), where resource allocation and execution occur. As contextual evidence, the article also notes Brazil's broader convergence with international sustainability standards, such as the national adaptation of IFRS S1 and S2 principles through NBC TDS 01 and 02, reflecting institutional alignment with global governance trends. By linking the discussion to the emerging agenda of climate finance and the Brazilian Emissions Trading System (SBCE), the paper highlights how sustainable budgeting can interact with mechanisms of carbon pricing and fiscal transparency. The findings point to methodological gaps in traceability, quantification, and standardization, and propose a unified coding model to enhance monitoring and accountability within Brazil's federal budget, an essential step as the country prepares to host COP30 and strengthen its leadership in sustainable fiscal governance.

Keywords: Public Budget; Sustainable Development Goals; Fiscal Governance; Policy Coherence; Sustainable Budgeting.

Resumo

Este artigo analisa os avanços e limitações do esforço brasileiro para integrar os Objetivos de Desenvolvimento Sustentável (ODS) ao orçamento público federal, no contexto da preparação do país para sediar a COP30. Com base em análise documental do PPA 2024 - 2027 e da LOA 2024, o estudo avalia a coerência metodológica da vinculação ODS - programas orçamentários e propõe aperfeiçoamentos para fortalecer a governança fiscal sustentável. Os resultados mostram que o PPA representa um avanço relevante na coerência de políticas, mas sua aplicação orçamentária ainda é limitada, dificultando o monitoramento e a rastreabilidade dos gastos voltados aos ODS. O artigo propõe um modelo de codificação unificada aplicável aos sistemas SIAFI e SIOP, que permitiria identificar e acompanhar despesas associadas a cada ODS sem alterar a estrutura legal do orçamento. Ao relacionar essa proposta à agenda de finanças climáticas e ao Sistema Brasileiro de Comércio de Emissões (SBCE), o estudo demonstra o potencial de integrar políticas fiscais, ambientais e sociais em um mesmo arcabouço analítico. Conclui-se que o fortalecimento dessa integração é essencial para que o Brasil consolide sua liderança em governança fiscal sustentável e amplie sua credibilidade internacional na COP30.

Palavras-chave: Orçamento Público; Objetivos de Desenvolvimento Sustentável; Governança Fiscal; Coerência de Políticas; Orçamento Sustentável

1. Introduction

The 30th Conference of the Parties (COP30), to be held in Belém, Pará, in 2025, marks the first time a United Nations Climate Change Conference will take place in the Brazilian Amazon. Beyond its symbolic importance, the event positions Brazil and Latin America at the forefront of global discussions on climate governance and sustainable development (GovBR, 2024; Chatham House, 2025; S&P Global Ratings, 2025). As both a major emerging economy and the host country, Brazil faces the challenge of demonstrating how sustainability principles are effectively incorporated into its institutional and fiscal architecture. Within this framework, the public budget assumes a strategic role: once designed primarily for financial control, it has evolved into a governance instrument capable of linking policy priorities, performance management, and accountability (Schick, 1998; Allen, 2009; Rezende, 2017).

COP30 therefore provides an opportunity to assess how fiscal governance can be aligned with environmental and social objectives, particularly through mechanisms such as sustainable budgeting and climate finance integration. Brazil's recent initiatives in these areas, such as the incorporation of the Sustainable Development Goals (SDGs) into federal planning and the adoption of sustainability disclosure standards, illustrate an

ongoing institutional effort that may inform similar transitions across emerging economies (OECD, 2020; UNDP, 2021; IFRS Foundation, 2023).

In the framework of the 2030 Agenda for Sustainable Development, budgets are no longer neutral or purely accounting devices, they are strategic tools for implementing global commitments at the domestic level (UN, 2015; OECD, 2020). By aligning fiscal planning and execution with the Sustainable Development Goals (SDGs), governments can make resource allocation more transparent, traceable, and responsive to long-term sustainability objectives (World Bank, 2021). This approach, however, demands methodological innovation and institutional coordination to ensure that budget structures reflect policy coherence rather than symbolic alignment.

Recent discussions on green fiscal governance and climate finance highlight the growing recognition that fiscal policy must integrate environmental and social objectives. In Latin America, CEPAL (2023) stresses the need for investment and fiscal frameworks consistent with climate and sustainability goals, emphasizing that fiscal systems play a critical role in mobilizing resources for the transition to low-carbon development. Empirical evidence compiled by the Inter-American Development Bank (Delgado, 2021) shows that the introduction of green budget classifications or tags can help governments identify and measure expenditures that contribute to climate-related actions. In parallel, the Common Framework of Sustainable Finance Taxonomies developed by UNEP and UNDP (2023) provides regional guidance for defining eligibility criteria for sustainable investments, promoting coherence among national financing strategies.

Reports by the UNEP Finance Initiative (2023), produced with support from institutions such as the Development Bank of Latin America (CAF), note that within national public budgets, allocating and tracking resources for climate adaptation remains challenging, since many expenditures pursue multiple development purposes and lack systematic monitoring mechanisms. This diagnostic underscores the importance of developing fiscal instruments, such as SDG tagging, green budget tagging, and climate-finance tracking, to improve the visibility, classification, and reporting of public expenditures related to sustainability and adaptation. Collectively, these initiatives illustrate a gradual regional movement toward more transparent and accountable approaches to linking budgets with climate and development objectives.

Brazil's 2024 - 2027 Multi-Year Plan (PPA) marks the first comprehensive effort to align federal planning with the Sustainable Development Goals (SDGs). For the first time, 88 finalistic programs were explicitly associated with the SDGs, reflecting a structural innovation in policy coherence (MPO, 2023a; MPO, 2023b). While this initiative represents a major step forward, its implementation remains largely conceptual and has yet to be translated into the instruments that guide fiscal execution, the Budget Guidelines Law (LDO) and the Annual Budget Law (LOA) (MPO, 2024).

Parallel to this, Brazil has also moved toward international convergence in sustainability governance. The country's recent regulatory reforms demonstrate an effort to align fiscal and accounting practices with global standards of transparency and sustainability disclosure (IFRS Foundation, 2023; CFC, 2023). However, while progress in corporate reporting has been significant, methodological advances in public budgeting remain limited, particularly in linking fiscal data to the Sustainable Development Goals (SDGs).

Against this background, this article aims to analyze the advances achieved by Brazil's 2024 - 2027 PPA in integrating the SDGs into the federal budget, identify the methodological and institutional limitations of this process, and propose theoretical and operational improvements to strengthen sustainable fiscal governance. Specifically, the study seeks to examine whether the PPA's SDG-linked programs provide a consistent basis for monitoring budgetary allocations, and to suggest how mechanisms such as SDG coding and quantitative indicators could enhance traceability and accountability. By combining documentary analysis with a comparative perspective, the article contributes to ongoing debates on how developing countries can move from declaratory commitments to evidence-based sustainable budget governance, an essential agenda in the lead-up to COP30.

2. Theoretical Framework

The role of public budgeting has evolved from a mechanism of financial control to a key instrument of governance and strategic management. This transformation reflects broader shifts in public administration theory, in which budgeting ceased to be viewed merely as a technical procedure for expenditure control and became a central process for articulating government priorities and coordinating policies. As Wildavsky (1979)

argues, the budgetary process is inherently political, as it represents the arena where competing interests negotiate and decide "who gets what, when, and how much." Schick (1998) reinforces that modern fiscal systems must move beyond procedural compliance to adopt managerial and performance-based approaches that connect financial resources to outcomes. Similarly, Allen (2009) and Wehner (2008) emphasize that effective fiscal governance depends on institutional mechanisms that ensure consistency between financial management and policy objectives, strengthening transparency and accountability. In the Brazilian context, Rezende (2017) interprets the budget as both a political and technical arena in which governance decisions materialize through the allocation of resources and the coordination of collective action.

This evolution reflects a broader movement from formal accountability, focused on compliance with legal and procedural rules, to results-based accountability, which emphasizes measurable performance and outcomes. The shift toward Performance Budgeting redefines the purpose of public budgets from merely ensuring legality and fiscal control to demonstrating how resources generate social, economic, and environmental results (Allen, 2009; Wehner, 2008). Within this perspective, the principle of Policy Coherence gains operational meaning: while associating programs with SDGs satisfies the formal dimension of coherence, establishing a standardized SDG coding structure would enable a shift toward performance-oriented governance.

The adoption of the 2030 Agenda for Sustainable Development, established by the United Nations (UN, 2015), reinforced this conception of budgeting as an integrated governance tool. The agenda's 17 Sustainable Development Goals (SDGs) call for governments to align planning, budgeting, and evaluation processes in pursuit of economic, social, and environmental objectives. Under this approach, the budget becomes an instrument of policy coherence and accountability, capable of demonstrating whether resource allocation effectively supports sustainable outcomes. The OECD (2020) and the World Bank (2021) highlight that linking budgets to the SDGs enables governments to identify expenditure gaps, coordinate multisectoral action, and improve transparency and accountability in public finance.

To operationalize this integration, several methodological innovations have emerged, particularly SDG budgeting and budget tagging. The UNDP (2021) defines *budgeting for the SDGs* as the process of incorporating the 2030 Agenda into national

budget frameworks through explicit tagging or classification of expenditures that support specific SDGs. This approach allows countries to identify and track how public resources contribute to sustainability targets. Similarly, the OECD (2021), in its *Green Budget Tagging: Introductory Guidance and Principles*, describes budget tagging as a methodology to systematically identify, assess, and prioritize expenditures and revenues that contribute to environmental and sustainable development goals. Both organizations emphasize that such mechanisms strengthen fiscal transparency and support evidence-based policymaking by linking financial data to policy outcomes. Taken together, these approaches form part of a broader framework in which budgeting serves not only as an allocation tool but also as a mechanism for measuring, reporting, and improving progress toward long-term development goals.

International experiences illustrate how SDG-oriented budgeting can be institutionalized through different mechanisms and degrees of complexity. In Mexico, the *Sistema de Información de los ODS (SIODS)* integrates planning and budgetary data, allowing the Ministry of Finance to identify, monitor, and report on expenditures contributing to each SDG (UNDP, 2021). The system functions as a comprehensive tagging tool embedded in the national planning framework, ensuring transparency in how federal resources align with the 2030 Agenda. In France, the *Budget Vert*, coordinated by the Ministry of Finance and the Ministry of Ecological Transition, assesses the environmental impact of the State budget and classifies expenditures as positive, neutral, or negative relative to environmental objectives (Boutron, 2023).

This initiative stands as a pioneering example of green budgeting within the European Union. Similarly, under the OECD's Green Budget Tagging Framework (2021), countries such as Ghana and Portugal have developed tagging systems that categorize budgetary programs according to their degree of contribution, direct, indirect, or marginal, to the SDGs. These cases demonstrate that the institutionalization of SDG-oriented budgeting depends on two critical elements: a consistent classification system integrated into the budget law and quantitative indicators that enable the monitoring of results over time.

In Latin America, regional development institutions have increasingly emphasized the fiscal dimension of sustainability. Reports by CEPAL (2023) and the Development Bank of Latin America (CAF, 2023) highlight that sustainable fiscal

governance requires not only transparent reporting but also the alignment of tax, spending, and investment policies with climate objectives. These discussions have influenced national strategies across the region, including Brazil, where sustainable budgeting and SDG tagging are seen as mechanisms to bridge environmental, fiscal, and social agendas.

In Brazil, the discussion on SDG-oriented budgeting gained institutional relevance with the 2024 - 2027 Multi-Year Plan (PPA), which, for the first time, formally linked 88 finalistic programs to the Sustainable Development Goals (MPO, 2023a; MPO, 2023b). This initiative represents a significant advance in policy coherence, establishing a conceptual bridge between long-term planning and the principles of the 2030 Agenda. However, this integration remains limited to the planning stage and has not yet been systematically extended to the Budget Guidelines Law (LDO) or the Annual Budget Law (LOA), instruments that guide fiscal execution. In the absence of standardized classification codes and clear quantitative indicators, it remains difficult to trace how public expenditures effectively contribute to specific SDGs. This limitation weakens the evaluative potential of the initiative and constrains its capacity to serve as an accountability mechanism.

At the same time, Brazil has advanced in broader aspects of sustainability governance, particularly through the adoption of international transparency and reporting standards. The publication of the NBC TDS 01 and NBC TDS 02, based on the IFRS S1 and S2 standards developed by the International Sustainability Standards Board (ISSB), reflects the country's alignment with global practices in sustainability disclosure (CFC, 2023; IFRS Foundation, 2023). Although these standards were designed primarily for the private sector, they promote principles of materiality, comparability, and transparency that can indirectly influence public sector governance. Their adoption in Brazil's institutional environment demonstrates a growing culture of disclosure and data standardization, prerequisites for integrating sustainability principles into fiscal policy.

Nevertheless, as Rezende (2017) and the OECD (2021) emphasize, regulatory convergence alone is insufficient to guarantee effective governance. The real challenge lies in translating normative progress into operational capacity, the ability to link planning, budgeting, and evaluation through coherent methodologies and reliable information systems. From this perspective, Brazil's experience can be seen as an

intermediate stage of institutional innovation: one in which normative alignment with international sustainability frameworks coexists with persistent operational fragmentation.

Achieving sustainable budget governance, therefore, requires moving beyond declaratory commitments to develop instruments capable of measuring and demonstrating how fiscal resources contribute to the SDGs. As highlighted by the World Bank (2021), such integration depends on transparent information systems, standardized indicators, and interministerial coordination. The consolidation of these elements would allow Brazil to evolve from symbolic alignment to verifiable integration, transforming its planning and budgeting systems into effective instruments for implementing the 2030 Agenda.

The global transition toward low-carbon economies has expanded the scope of fiscal governance to encompass climate-related financial mechanisms. In Brazil, this agenda has gained renewed momentum with the implementation of the Sistema Brasileiro de Comércio de Emissões (SBCE), which aims to regulate carbon markets and establish a transparent system of emission caps and tradable allowances (MMA, 2024). The integration of such mechanisms into fiscal planning creates new interfaces between sustainable budgeting and climate finance, enabling the government to link budgetary allocations with measurable environmental outcomes. As CEPAL (2023) and UNEP FI (2023) indicate, the alignment of national budgets with carbon pricing frameworks enhances the capacity of governments to mobilize and track resources directed toward mitigation and adaptation. In this context, Brazil's approach to SDG tagging and budgetary coding represents a critical step toward consolidating a coherent framework that connects the fiscal system with the broader architecture of climate finance and green investment.

3. Methodology

This study adopts a qualitative and exploratory design based on documentary analysis of Brazil's federal planning and budgetary instruments. It focuses on how the Sustainable Development Goals (SDGs) were integrated into the 2024 - 2027 Multi-Year Plan (PPA) and how this integration is reflected in the 2024 Annual Budget Law (LOA). The objective is to assess the methodological coherence of the SDG-budget linkage

proposed in the PPA, identify its main limitations, and propose refinements to strengthen the alignment between planning, budgeting, and evaluation within the framework of sustainable fiscal governance.

The research relies on three official sources. The first is the **PPA 2024 - 2027**, particularly its annex *Planejamento Orientado à Agenda 2030*, which associates 88 finalistic programs with specific SDGs (MPO, 2023a; MPO, 2023b). The second is the **LOA 2024**, which authorizes expenditures and establishes the legal framework for fiscal execution (MPO, 2024). The third comprises technical notes issued by the **Ministry of Planning and Budget (MPO)** that describe the criteria adopted to associate programs with SDGs. Together, these documents provide the empirical basis for evaluating how sustainability objectives are embedded in Brazil's planning and budgetary structure.

The methodological procedure consisted of a systematic comparison between the classifications presented in the PPA and their corresponding entries in the LOA. Each of the 88 programs associated with the SDGs was traced to its equivalent in the 2024 budget to verify whether the linkages established during planning were preserved in fiscal execution. The analysis also evaluated the presence or absence of quantitative indicators capable of measuring the degree of budgetary commitment to each SDG, following the recommendations of the UNDP (2021), OECD (2021), and World Bank (2021), which emphasize the importance of measurable parameters for transforming policy coherence into fiscal accountability.

To explore the operational implications of the observed gaps, the **Program 5118 – Atenção Especializada à Saúde** was selected as a representative case. This program, linked to **SDG 3 (Good Health and Well-Being)** and **SDG 5 (Gender Equality)**, was used to simulate the introduction of a **unified four-digit coding system** that allows identification of SDG-related expenditures without altering the legal or structural configuration of the federal budget. The proposed model combines the identifiers of the program and the SDG into a single analytical field, maintaining the hierarchy of Brazil's functional-programmatic classification. For instance:

- 51A3 → Program 5118 *(Atenção Especializada à Saúde)* + SDG 3 (Good Health and Well-Being);
- 51A5 → Program 5118 *(Atenção Especializada à Saúde)* + SDG 5 (Gender Equality).

This model enables tagging and aggregation of expenditures by SDG within systems such as SIAFI and SIOP, facilitating monitoring across fiscal years. To evaluate its analytical potential, three quantitative indicators were conceptually defined:

- Health Commitment Ratio (51A3): proportion of Program 5118 resources allocated to actions that expand access to specialized care and strengthen universal health coverage (aligned with SDG 3).

- Gender Equality Allocation Share (51A5): percentage of the program's budget directed toward initiatives promoting equitable access to health services for women (aligned with SDG 5).

- Execution Efficiency Index: ratio between executed and authorized expenditures under each unified code, measured annually to assess efficiency and resource absorption capacity.

Finally, international experiences in SDG-oriented budgeting and tagging were reviewed to contextualize the Brazilian case. Examples from Mexico, France, Ghana, and Portugal (UNDP, 2021; Boutron, 2023; OECD, 2021) were analyzed as benchmarks for identifying institutional and methodological conditions conducive to successful implementation.

4. Findings and Discussion

The analysis of Brazil's 2024–2027 Multi-Year Plan (PPA) reveals a significant institutional effort to integrate the Sustainable Development Goals (SDGs) into federal planning. For the first time, 88 finalistic programs were formally linked to the 17 SDGs, representing a structural innovation in policy coherence (MPO, 2023a; MPO, 2023b). However, comparison with the 2024 Annual Budget Law (LOA) shows that this integration remains largely conceptual. The associations established in the PPA are not systematically reproduced in the LOA, where expenditure authorization and execution control take place (MPO, 2024). In practice, the absence of standardized SDG tagging within the LOA prevents detailed appropriations, by project or activity, from being aggregated or analyzed according to sustainability targets. This methodological gap restricts the operational linkage between planning (at the program level) and execution (at the action level), limiting fiscal traceability and the ability to evaluate outcomes.

A key finding is the aggregation bias resulting from program-level associations. Because each federal program encompasses multiple projects and activities, linking entire programs to multiple SDGs dilutes analytical precision. In some cases, a single program was associated with up to nine goals, obscuring the actual share of resources contributing to each objective. This methodological overextension, also observed in early international experiences, demonstrates the risk of adopting broad classifications without standardized coding or contribution levels (UNDP, 2020; OECD, 2021). The absence of quantitative indicators compounds these limitations: neither the PPA nor the LOA defines financial baselines or measurable targets for SDG-related expenditures. As emphasized by the OECD (2021) and the World Bank (2021), quantitative tagging mechanisms and fiscal indicators are essential for transforming formal alignment into operational governance.

To address these challenges, the study tested a unified four-digit coding model using Program 5118 – *Atenção Especializada à Saúde* as a case study. Under this model, expenditures related to SDG 3 (51A3), such as hospital expansion and universal health initiatives, and those related to SDG 5 (51A5), such as maternal health programs, could be distinctly recorded and monitored within existing budgetary systems. This framework allows data disaggregation by SDG while preserving the legal and institutional integrity of Brazil's budget structure. The model also enables the creation of quantitative indicators, such as the *Health Commitment Ratio*, *Gender Equality Allocation Share*, and *Execution Efficiency Index*, which convert descriptive linkages into measurable fiscal commitments.

The proposed coding would function as a tag integrated into existing information systems (SIAFI and SIOP). It would not modify the functional-programmatic structure or legal classifications (e.g., *Natureza da Despesa*, *Fonte de Recursos*) but would add an analytical field allowing expenditures to be tagged, aggregated, and monitored across fiscal years. Such interoperability would improve traceability, enhance fiscal transparency, and facilitate the production of sustainability reports linking financial and policy data. This configuration aligns with international practices of SDG tagging, providing a technically feasible and low-cost mechanism for integrating sustainability considerations into fiscal management while ensuring compliance with Brazil's budgetary framework.

When compared internationally, this proposed mechanism aligns with successful budget-tagging practices in Mexico, where the *Sistema de Información de los ODS (SIODS)* connects planning and budgetary data for SDG monitoring (UNDP, 2021); in France, where the *Budget Vert* classifies expenditures by environmental contribution (Boutron, 2023); and in Ghana and Portugal, which, according to the OECD (2021), employ tagging frameworks distinguishing between direct, indirect, and marginal contributions. These cases highlight that the institutionalization of SDG-oriented budgeting depends on classification consistency and quantitative indicators for tracking outcomes over time.

The Brazilian case remains at an intermediate stage. The PPA offers a conceptual foundation for linking programs to the SDGs, but its operational translation into the LOA lacks methodological rigor and standardized coding. This fragmentation prevents intertemporal comparability and limits the capacity for accountability and evaluation. As Rezende (2017) notes, governance reforms in Brazil often face implementation barriers that result in institutional discontinuity, a dynamic also reflected in the current SDG-budget integration process.

Despite these challenges, the PPA 2024 - 2027 represents an important step toward sustainable budget governance. By incorporating sustainability discourse and aligning with international transparency standards, such as the NBC TDS 01 and NBC TDS 02 (CFC, 2023; IFRS Foundation, 2023), Brazil has established regulatory and informational conditions to advance toward a data-driven fiscal model. The proposed coding and indicator system would strengthen this framework by enabling verifiable tracking of fiscal commitments to the SDGs.

Ultimately, the findings indicate that achieving effective SDG integration requires moving beyond declaratory commitments toward operational mechanisms supported by standardized data and interministerial coordination. Implementing a unified coding system, such as the one exemplified by codes 51A3 and 51A5, would allow Brazil to consolidate a sustainable fiscal governance model that combines policy coherence, methodological rigor, and accountability. This transformation would not only enhance national planning capacity but also reinforce Brazil's leadership in sustainable governance as host of COP30.

5. Conclusion

The analysis of Brazil's recent initiatives demonstrates that the country has made significant progress in aligning its planning and accounting frameworks with the Sustainable Development Goals (SDGs) and international standards of sustainability reporting. The 2024-2027 Multi-Year Plan (PPA) marked the first systematic effort to integrate the 2030 Agenda into federal planning by linking 88 finalistic programs to specific goals (MPO, 2023a; MPO, 2023b). In parallel, the adoption of the ISSB's IFRS S1 and S2 standards, translated domestically into NBC TDS 01 and NBC TDS 02, positioned Brazil at the forefront of sustainability disclosure in Latin America (CFC, 2023; IFRS Foundation, 2023). Together, these initiatives indicate a growing institutional awareness of the need to incorporate sustainability principles into fiscal governance and reflect Brazil's commitment in the context of COP30 (UN, 2015).

Nevertheless, the comparative analysis between the PPA 2024 - 2027 and the Annual Budget Law (LOA) 2024 reveals that the integration between planning and budgeting remains primarily normative. The associations established in the PPA are not systematically reproduced in the LOA, restricting the traceability of expenditures (MPO, 2024; World Bank, 2021). The current approach generates aggregation bias, since entire programs are often linked to multiple SDGs without disaggregating resources by activity or objective. As highlighted by the UNDP (2020) and OECD (2021), this methodological limitation undermines the analytical precision necessary for effective SDG budgeting and weakens the evaluative potential of fiscal monitoring.

Taken together, these findings suggest that Brazil's integration efforts remain partial and inconsistent, oscillating between declaratory commitments and operational limitations. To address these challenges, international experiences-such as those of Mexico, France, and Ghana, demonstrate the importance of adopting structured *budget tagging* systems with codified taxonomies, defined contribution levels (primary, secondary, marginal), and quantitative indicators to measure impact (UNDP, 2021; OECD, 2021; Boutron, 2023). Incorporating such practices into the Brazilian context would enhance transparency, improve comparability, and strengthen accountability in sustainable fiscal governance.

In light of these results, this article proposes three key methodological innovations. First, the implementation of a unified four-digit coding mechanism within

the LOA that explicitly links programs, actions, and projects to the SDGs, ensuring traceability throughout the budget cycle (Schick, 1998; Wehner, 2008). For example, under this model, Program 5118 – Atenção Especializada à Saúde could be coded as 51A3 when contributing to *SDG 3 (Good Health and Well-Being)* and 51A5 when contributing to *SDG 5 (Gender Equality)*, allowing expenditures to be monitored by sustainability objective without altering the legal budget structure.

Second, the establishment of quantitative indicators and financial baselines capable of measuring the proportion of budget resources allocated and executed for each SDG, thus enabling longitudinal monitoring of fiscal commitments (UNDP, 2020; OECD, 2021; World Bank, 2021).Third, the creation of standardized classification criteria, coordinated by the Ministry of Planning and Budget, to ensure consistency, comparability, and coherence across federal programs (Rezende, 2017).

By consolidating these methodological refinements, Brazil could move beyond symbolic alignment and achieve operational integration between planning and budgeting. Such an evolution would equip the fiscal governance system with tools to ensure that public resources are allocated transparently and effectively in support of sustainable development. Hosting COP30 in Belém do Pará reinforces Brazil's responsibility to translate its normative commitments into measurable fiscal outcomes. By advancing mechanisms of sustainable budget governance, the country can demonstrate institutional leadership in the intersection of climate finance, fiscal transparency, and social development, offering a model for the region and the Global South. Beyond its national implications, the Brazilian experience holds significant relevance for the Global South.

As one of the largest emerging economies, Brazil illustrates how countries with rigid and highly codified budget structures can adapt existing systems to meet the demands of the 2030 Agenda and climate finance frameworks. The proposed SDG tagging model demonstrates that it is possible to advance sustainability governance through managerial innovation rather than structural overhaul, offering an adaptable framework for other developing nations seeking to reconcile fiscal responsibility with environmental and social commitments. More broadly, it would position the Brazilian case as a reference in SDG-oriented budgeting, reinforcing its institutional credibility and leadership as host of COP30.

References

ALLEN, Richard. The challenge of reforming budgetary institutions in developing countries. IMF Working Paper, n. 09/96, 2009.

BOUTRON, Chloé. **Greener, better, stronger: factors for the successful implementation of green budgeting in EU Member States**. Paris: Institute for Climate Economics (I4CE), 2023. Available at: https://www.i4ce.org/en/publication/greener-better-stronger/. Acesso em: 5 out. 2025.

CAF – Development Bank of Latin America and the Caribbean. **Sustainable Finance in Latin America and the Caribbean: Advances and Challenges for the Green Transition**. Caracas: CAF, 2023.

CEPAL – Comisión Económica para América Latina y el Caribe. **Financiando el desarrollo sostenible en América Latina y el Caribe: la integración de las finanzas climáticas en la política fiscal**. Santiago: CEPAL, 2023.

CFC – CONSELHO FEDERAL DE CONTABILIDADE. **NBC TDS 01: Divulgação de informações financeiras relacionadas à sustentabilidade. NBC TDS 02: Divulgação de informações financeiras relacionadas ao clima**. Brasília: CFC, 2023. Available at: <https://cfc.org.br>. Accessed on: 18 set. 2025.

CHATHAM HOUSE**. What is COP30 and why does it matter for the climate?** London: Chatham House, 2025. Available at: https://www.chathamhouse.org/2025/09/what-cop30-and-why-does-it-matter-climate. Accessed on: 18 out. 2025.

DELGADO, Ricardo. Fiscal Policy and Climate Change: Recent Experiences of Finance Ministries in Latin America and the Caribbean. Washington, DC: Inter-American Development Bank (IADB), 2021.

IFRS FOUNDATION. **Brazil adopts ISSB global baseline**. London: IFRS Foundation, 2023. Available at: <https://www.ifrs.org>. Acesso em: 18 set. 2025.

GOVBR – SECRETARIA DE COMUNICAÇÃO SOCIAL DA PRESIDÊNCIA DA REPÚBLICA**. COP30: Brazil works to consolidate diplomatic leadership in the climate agenda**. Brasília: SECOM, 2024. Available at: https://www.gov.br/secom/en/latest-news/2024/12/cop30-brazil-works-to-consolidate-diplomatic-leadership-in-climate-agenda. Accessed on: 18 out. 2025.

MMA – MINISTÉRIO DO MEIO AMBIENTE E MUDANÇA DO CLIMA. **Sistema Brasileiro de Comércio de Emissões (SBCE): Documento técnico**. Brasília: MMA, 2024.

MPO – MINISTÉRIO DO PLANEJAMENTO E ORÇAMENTO. **Plano Plurianual 2024–2027: Planejamento Orientado à Agenda 2030**. Brasília: MPO, 2023a.

MPO – MINISTÉRIO DO PLANEJAMENTO E ORÇAMENTO. **Relatório técnico de integração ODS–PPA 2024–2027**. Brasília: MPO, 2023b.

MPO – MINISTÉRIO DO PLANEJAMENTO E ORÇAMENTO. **Projeto de Lei Orçamentária Anual 2024**. Brasília: MPO, 2024.

OECD – ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT. OECD **Green Budgeting Framework: key principles and guidance**. Paris: OECD Publishing, 2020.

PRESSMAN, Jeffrey; WILDAVSKY, Aaron. **Implementation: how great expectations in Washington are dashed in Oakland**. Berkeley: University of California Press, 1973. REZENDE, Fernando. **Finanças públicas e desenvolvimento: o papel do orçamento público**. Rio de Janeiro: FGV Editora, 2017.

RHODES, R. A. W. **The new governance: governing without government**. **Political Studies**, v. 44, n. 4, p. 652-667, 1996.

SCHICK, Allen. A contemporary approach to public expenditure management. Washington, DC: World Bank, 1998.

S&P GLOBAL RATINGS**. Ahead of COP30: a changing landscape for Latin America**. New York: S&P Global Sustainable 1, 2025. Available at: https://www.spglobal.com/sustainable1/en/insights/special-editorial/ahead-of-cop30-a-changing-landscape-for-latin-america. Accessed on: 18 out. 2025.

UN – UNITED NATIONS. **Transforming our world: the 2030 Agenda for Sustainable Development**. New York: United Nations, 2015. Available at: <https://sdgs.un.org/2030agenda>. Accessed on: 18 set. 2025.

UNDP – UNITED NATIONS DEVELOPMENT PROGRAMME. **Budgeting for the SDGs: lessons from Mexico**. New York: UNDP, 2021.

UNEP / UNDP**. Common Framework of Sustainable Finance Taxonomies in Latin America and the Caribbean**. Nairobi / New York: United Nations Environment Programme & United Nations Development Programme, 2023.

UNEP FI – United Nations Environment Programme Finance Initiative**. Cómo los bancos de América Latina y el Caribe se adaptan al cambio climático**. Nairobi: UNEP FI, 2023.

WEHNER, Joachim. Performance budgeting: concepts and international experiences. IMF Working Paper, n. 08/XX, 2008.

WILDAVSKY, Aaron. **The Politics of the Budgetary Process**. 4. ed. Boston: Little, Brown and Company, 1979.
WORLD BANK. **Climate change budget tagging: a review of international experience**. Washington, DC: World Bank, 2021.