

Blockchain Cooperation Agreement with BNDES



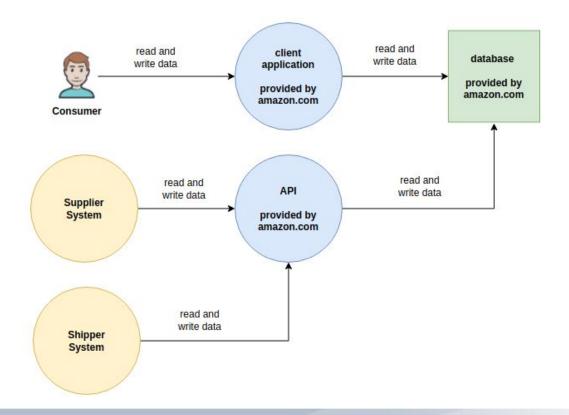
Presentation for The INTOSAI WG SDG KSDI meeting

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Data authority: centralized is the normal

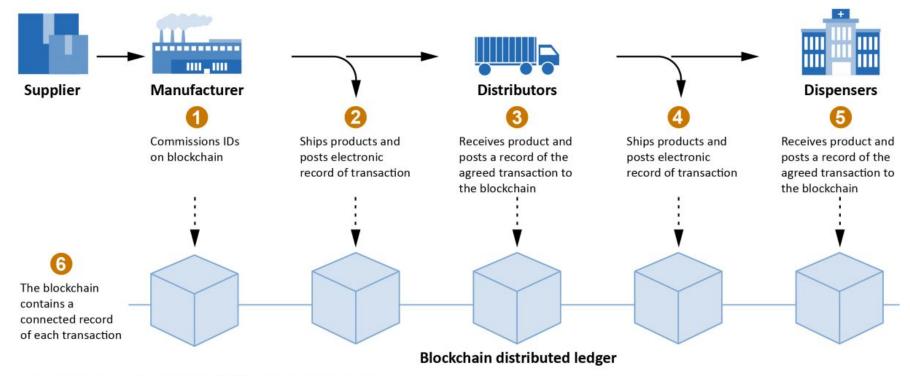
- The consumers, suppliers and shippers trust in Amazon's data
- All data from Amazon application are considered credible



In some cases, a decentralized way is better

- We cannot assign the central authority to a single participant
- Collaborative work among participants, no central authority

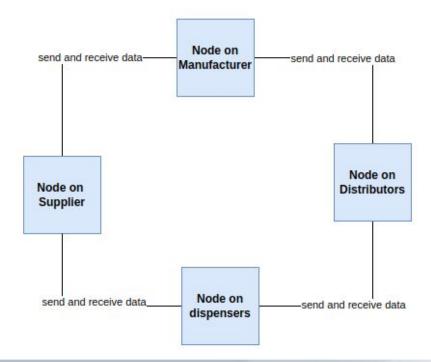
Potential Example of a Blockchain-based Pharmaceutical Supply Chain Ledger



Source: AmerisourceBergen and GAO review of literature. | GAO-22-104625

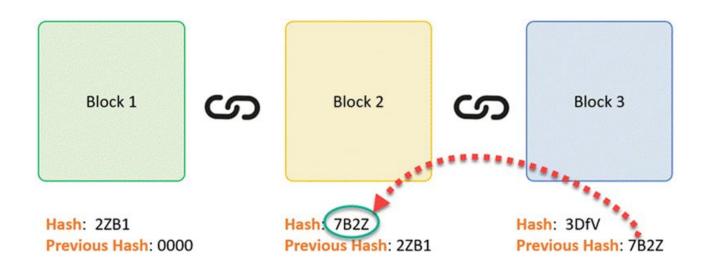
What is blockchain? (1/2)

- A distributed database (ledger) shared among nodes
- Nodes are connected in a peer-to-peer network
- Some types of nodes have a complete copy of the ledger
- No single entity has a full control of the data



What is blockchain? (2/2)

- Blocks are chained by a hash
- Hash is a shorter string of characters that represent another amount of data. Change data => change hash. <u>Immutability</u>
- Transactions in a block are addressed by a cryptography public key signed by the authors. <u>Non-repudiation</u>



Cooperation Agreement with BNDES

- In 2019, Brazilian Development Bank (BNDES) invited TCU to establish the Blockchain Brasil Network RBB as a founder
- We have been working in this project to:
 - Define a common governance
 - Foment and admit new participants in the network
 - Discuss some technical aspects regarding RBB
- Currently, the RBB is a Lab
 - We don't have any applications in production yet
- Some entities have applied to admission in RBB
 - PUC-Rio, RNP, Serpro, Dataprev, Prodest and Prodemge

Blockchain Brasil Network - RBB

- Primary motivation:
 - Accelerate the adoption of blockchain technology in public entities, like state companies, universities, etc.
- Inspiration:
 - LACChain blockchain ecosystem in Latin America and the Caribbean
- RBB is a infrastructure (a "road") where applications ("trucks and cars") based on blockchain will be executed



Why RBB accelerate the adoption of blockchain?

- Lower costs:
 - RBB is a public-permissionless, meaning we have no cost to "mining" new blocks
- Commons services can be shared among applications:
 - Notarization and identification are examples
- Shared governance
 - Define and maintain the governance in blockchain are not cheap and easy activities



Blockchain applications in government (audit included)

- Public blockchains used by government can provide:
 - Traceability of data (tracking allocation of public resources)
 - Transparency (in some cases, citizens have direct access)
 - Non-repudiation of transactions (authentication)
 - Immutability of data (no tempering, integrity)
 - Notarization of documents (proof of ownership)
 - Reliability of data (replication of data among nodes)

Some examples from the Brazilian government

- ANAC Civil Aviation Agency
 - Log booking of every depart or landing
- BNDES and National Cinema Agency (ANCINE)
 - Tokens for tracking allocation of resources





- Brazilian Central Bank
 - Approval of requests from financial institutions and regulatory agencies





Questions

Now or after eldonc@tcu.gov.br