

FY2011 Development Aid Survey and Research Work on
“The Policy and Current Status of Development Assistance by Brazil”

Summary of Final Report

1. Background and purpose of the study

The purpose of this survey is to grasp an overall picture of the current status of the development assistance provided by Brazil and to assess its aid policy through analysis of the publicly available information obtained from the Brazilian government, the implementing agencies, the media in the recipient countries and other donors. Field survey was conducted along side with research work. Based on the analysis, survey and research, recommendations are made for the Japanese government regarding how it should respond to Brazilian aid in the future.

2. Policy and philosophy of Development Assistance of Brazil

We have analyzed its policy and philosophy regarding “international cooperation” which the government of Brazil extends. The following three points are the main principles and philosophy of international cooperation of Brazil:

- (1) International cooperation is one of the tools of diplomacy and thus conforms to basic diplomatic policy of Brazil.
- (2) International cooperation is based on the “horizontal relation” between Brazil and the recipient countries.
- (3) International cooperation is provided with grant aid program.

In addition, it is considered that there are three political motives for Brazil to provide international cooperation:

- (1) To strengthen diplomatic ties with recipient countries
- (2) To reciprocate for the assistance extended to Brazil in the past
- (3) To compensate for Brazil’s past history of slavery

3. Definition of assistance provided by the Brazilian government

Under the heading of “international cooperation,” the Brazilian government implements activities that correspond to official development assistance (ODA). The government of Brazil defines the following five activities as international cooperation in its reports on international cooperation:

- (1) Humanitarian assistance
- (2) Scholarships for foreign students
- (3) Technical assistance and cooperation in scientific fields
- (4) Contributions to international organizations
- (5) Peacekeeping activities

Additional activities of the government of Brazil related to ODA include debt forgiveness, preferential treatment for loans using export credit schemes as well as food aid initiatives.

The government of Brazil notes that there is a clear difference between the definition of Brazil's international cooperation and ODA, depending on whether it includes loan assistance or not.

4. Policy framework and policy documents

Japan formulates aid policy for each country based on its upper-level policies such as the "Japan's Official Development Assistance Charter" and "Japan's Medium-Term Policy on Official Development Assistance," and specific programs and projects are implemented according to the aid policies. The government of Brazil, in contrast, does not have this type of policy framework. In addition, there are several implementing agencies of international cooperation, each of which has respective mandate and responsibility for specific schemes, and there is no integrated coordination among those agencies regarding aid volume, sectors and so on.

There are no government documents indicating the overall framework for international cooperation implemented by Brazil. However, the *Cooperacao Brasileira para o Desenvolvimento Internacional 2005-2009* (Brazilian Assistance for International Development 2005-2009) (Brazilian Cooperation Agency [ABC], etc., 2010) is equivalent to a white paper on international cooperation. It covers matters related to the principles and philosophy of Brazilian international cooperation, implementation policies and so on.

5. Estimated volume of activities

The scale of international cooperation provided by Brazil during the five-year period of 2005-2009 was approximately US\$1.61 billion (approximately ¥128.8 billion) according to relevant documents. ODA-related activities during the same period was comprised of debt forgiveness of approximately US\$470 million (approximately ¥37.6 billion), food aid initiatives amounting to approximately US\$350 million (approximately ¥28 billion) and preferential treatment for loans (grant element 25% or more, implemented with export credit schemes) of approximately US\$1.74 billion (approximately ¥139.2 billion). Combining these

ODA-related activities with international cooperation activities, it results in a figure of approximately US\$4.17 billion (approximately ¥333.6 billion) in total.

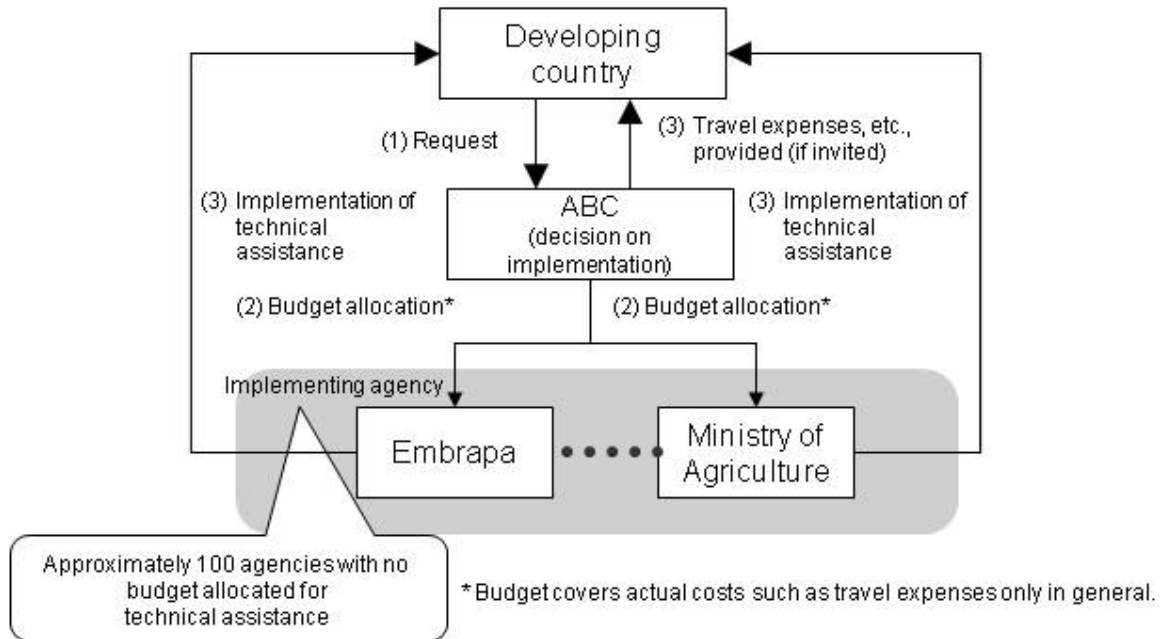
Of the international cooperation activities, the one that involves the largest expenditures is contributions to international organizations. The total volume of international cooperation has not changed greatly during the past five years, but the trend is characterized by increases in the proportion of the total amount of technical assistance and humanitarian assistance. Moreover, by looking at the status of individual countries receiving technical assistance, a dramatic increase in assistance to sub-Saharan Africa and Latin American and Caribbean nations is another feature.

This study also shows that debt forgiveness is provided to Cote d'Ivoire (Ivory Coast), the Democratic Republic of Congo and Surinam, and that the proportion of preferential treatment for loans, with grant element of 25% or more, accounts for 25% of the total export credits.

6. Process of implementation for individual schemes and multilateral-bilateral cooperation projects

The following diagram shows an outline of the implementation process for international cooperation by Brazil. The example shown below is with regard to technical assistance, one of the typical assistance schemes.

Brazil's Technical Assistance Scheme



In general, technical assistance including triangular cooperation and humanitarian assistance are provided in response to a request from developing countries. The diagram also shows an overview of scholarships for foreign students, export credits, food aid and other international cooperation and ODA activities.

7. Ministries/agencies in charge of policy and implementation by field, multilateral/bilateral cooperation project, and scheme

The main Brazilian government agencies that implement international cooperation and activities relating to ODA are the Brazilian Agency for Cooperation (ABC) of the Ministry of Foreign Affairs which supervises technical assistance, the Hunger Alleviation Support Section of the Ministry of Foreign Affairs which supervises humanitarian assistance, the International Bureau of the Ministry of Finance which coordinates debt forgiveness, the International Bureau of the Ministry of Planning, Budget and Management, the Higher Education and Human Development Bureau of the Ministry of Education, and the Scientific and Technical Development Committee of the Ministry of Science and Technology which together manage scholarships for foreign students.

8. Assessment of Brazilian assistance by aid recipient countries.

Interviews were conducted with government representatives from Mozambique which is Brazil's major partner country for international cooperation, and interviewees were asked to assess Brazil's international cooperation. The Mozambique government representatives were extremely positive regarding Brazil's international cooperation with almost no negative

comments. They also stressed that Brazil's international cooperation centers on technical assistance and is different from that of other emerging donors such as China and India. Assessment of Brazil's international cooperation is also confirmed by the evaluation by news reports and documents.

9. Status of cooperation with other donors including triangular cooperation and IBSA cooperation

Examples of international cooperation by Brazil provided jointly with other donors consist mainly of triangular cooperation and assistance by the India-Brazil-South Africa Dialogue Forum (IBSA). Brazil actively implements triangular cooperation, with not only member countries of the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD/DAC) but also international organizations such as the International Labor Organization (ILO). Most of the recipient countries of Brazil's triangular cooperation are African countries. Within the framework of IBSA, assistance centers on the IBSA Fund.

No other examples were confirmed of Brazil' cooperation with other emerging donors such as China at present.

10. Brazil's recognition and assessment of the international aid community and other developing nations with regard to aid

Although Brazil itself is not negative about OECD/DAC activities, it has some disagreements with the OECD/DAC regarding the approach to assistance. It is thought that Brazil will continue to actively cooperate with the OECD/DAC but that it has no intention of implementing assistance within the OECD/DAC framework. The interviews also gave the impression that Brazil would actively work with international financial institutions and emerging countries to implement international cooperation.

11. Possible cooperation between Japan and Brazil in development field

Based on the knowledge gained through this study, the following were proposed as holding the potential for future cooperation between Japan and Brazil in the development field, considering the respective advantages for Brazil and Japan:

- (1) Cooperation for the establishment of an appropriate organization in Brazil in the event that Brazil provides loan assistance
- (2) Establishment of a "Japan-Brazil fund" for joint implementation of aid that could provide aid that is similar to loan assistance within the existing framework in Brazil.