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## *Brazil and the EU: New Opportunities for Development Cooperation in Third Countries*

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### **Workshop Summary**

Under the leadership of President Dilma Rousseff, Brazil continues to strengthen its international profile, and the EU is considering how to further develop its strategic partnership with this new global power. This event focused attention on Brazil's global development and foreign policy priorities in order to reflect on prospects for the Brazil-EU relationship within the development cooperation arena and in global governance processes more broadly. As a result of its economic weight, its increasingly important global political role, and cultural affinities, Brazil is considered a valuable partner for the EU. Nonetheless, many challenges remain in strengthening ties between these actors, especially given the different qualities of the actors themselves.

Like other so-called 'new' actors in international development, Brazil's development cooperation engagement has been rising steadily in recent years. Figures on cooperation programmes collected to date have likely underestimated the scale of this engagement. Efforts from both the research community and the Brazilian government to offer a more complete accounting of the scope of development cooperation are helping to improve the knowledge base on Brazilian programmes, responsibility for which continues to be spread out across a variety of governmental entities. Estimates indicate that a large majority of Brazilian development cooperation (68%) is channelled through multilateral organisations, with technical cooperation, humanitarian assistance, and scholarships for foreign students representing other key channels. Brazilian cooperation is global in scope, reflecting the broad foreign policy agenda in which it is embedded. Roughly half of Brazil's technical cooperation projects are located in Africa, though its regional neighbourhood also remains important.

A large degree of continuity in Brazilian development cooperation can be expected under the Rousseff presidency. This includes a commitment to core precepts of cooperation, such as operating in a broad group of countries, upholding a principle of non-interference in domestic affairs, as well as promoting a demand-driven approach to the nature of projects funded. As Brazil becomes more visible as a development assistance provider, the consistency of these guiding principles with its development practice as well as the compatibility of the Brazilian approach with the guiding principles of OECD development cooperation (Paris and Accra) will likely face growing scrutiny.

Having recently become a net provider of development assistance, Brazil is assuming a larger role in influencing the nature of emerging partnerships in global development cooperation. Its interest in building partnerships for third countries with other major emerging economies in the context of the IBSA dialogue forum (India, Brazil, and South Africa) presents South-South cooperation as an alternative to other multilateral initiatives, even if the sums invested in such programmes to date remain modest.

Both Brazil and the EU have welcomed trilateral or triangular cooperation as a way of mobilising additional finance for development, offering an avenue for Brazil to transmit lessons from its domestic efforts to address development challenges, and opening space for dialogue on elements of the aid effectiveness agenda. Yet there are also reasons for both Brazil and European actors to have some hesitation in pursuing trilateral cooperation. For Brazil, reluctance with respect to the modality is related to the prospect that its own imprint on development cooperation programmes could be limited. From the European perspective the creation of partnerships in this context may contribute to further donor proliferation and work against efforts to improve coordination. In the Brazil-EU relationship, trilateral partnerships may also be difficult to bring to life given the limited flexibility of the EU as a development actor in comparison to its member states. As a result, Brazil may continue to prefer to pursue trilateral initiatives with large European states such as Germany, Italy, and the United Kingdom. Moreover, trilateral cooperation raises questions concerning how well partner countries' interests are reflected in the process. The pursuit of cooperation through alternative channels, such as through the provision of parallel co-financing for programmes in third countries, may provide a means of avoiding some of these dilemmas in a manner that appeals to partner countries.

There are many open questions about Brazil's impact as a global development player, reflecting not only recent increases in the scale of development cooperation, but also basic differences with OECD donors as well as with other emerging donors. Understanding Brazilian development cooperation requires acknowledging a basic difference in worldview and an ideological motivation for supporting development abroad that is linked to a Brazilian sense of identity as a country firmly rooted in the Global South. Beyond this ideological motive for undertaking cooperation globally, other interests in Brazilian development cooperation such as the linkages between economic interests and development cooperation remain unexplored. While Brazil is considered to have a comparative advantage in areas such as the promotion of research in tropical agriculture or bioenergy, to date there is limited evidence about the impact of its development cooperation efforts. Though altruistic motives are often advanced in development cooperation discourse in Brazil, the acknowledgement of the linkage between altruism and political and economic opportunities may be an important element in justifying a growing development cooperation portfolio to the domestic audience. In assessing prospects for the future of Brazilian development cooperation, the limited nature of the domestic development constituency at present and the potential for funding setbacks in the face of domestic economic difficulties should be taken into account.

Among the key challenges facing Brazil is the need to improve the coherence of development cooperation programmes by managing fragmentation in the system created by the global development engagement of sectoral ministries separate from the Ministry of Foreign Affairs. In the same vein, there is room to improve the coherence of strategies for engagement with bilateral and regional actors. While the Brazilian government has taken steps to improve the transparency and accountability of its development cooperation efforts, further progress in managing coherent multi-sectoral programmes may depend on improvements in human resources. With this in mind, the EU could play a role in contributing to the further professionalisation of development experts within Brazil.

Parallel to Brazil's rise as a development assistance provider, its relationship with the EU has also deepened at a quick pace in recent years. Brazil's role as an energy producer, its economic stability, its vibrant democracy, and active global diplomacy motivated the EU to define, in 2007, a strategic partnership with Brasilia including summits and a common action plan. Shared commitments to democracy, human rights, peace and social inclusion form the normative basis for an alliance between Brazil and the EU in global governance. Thematically focussed in areas such as human rights, energy, climate change, environmental protection, science, technology, and innovation to date, the strategic partnership could incorporate a larger emphasis on food security or security issues such as efforts to support peacekeeping or to combat drug trafficking in the future.

Defining the difference in the nature of the relationship with Brazil compared to other strategic partners of the EU draws attention to the problematic character and disputed utility of the term 'strategic partnership'. The concept implies equality among partners in terms of their capacity to define strategic goals, the ability to identify a select number of key issues to orient cooperation around, and a willingness to assume the same risks in implementing this agenda. Within this relationship, the EU as an actor itself faces challenges in terms of articulating and implementing strategic goals due to the diversity of member state preferences which its international engagement must accommodate. These challenges have not been erased with the creation of the European External Action Service, designed to contribute to the creation of a more coherent common European foreign policy. Even though reasons such as the economic weight of both actors provide a case for considering the relationship in a strategic light, it is debated whether Brazil-EU ties are considered to hold the same priority as other relationships (EU-US ties provide a key example). As in the development cooperation sphere, Brazil may prefer to engage with large EU member states on a bilateral basis due to their less complicated qualities as foreign policy actors.

In examining trade agreements between Brazil and the EU, the difficulty of dissociating the bilateral trade relationship from inter-regional trade agreements is apparent. Obstacles to progress in trade negotiations relate to disputes between Brazil and the EU but also to political dynamics within other Mercosur countries. Disagreements in reaching agreement with the regional trade bloc (high tariffs on industrial products versus non trade barriers and particularly agriculture subsidies) mirror the reasons for paralysis within the WTO's Doha Round. An alternative to pursuing an EU-Mercosur agreement could be to work toward a bilateral Brazil-EU free trade agreement, although this would be a long-term scenario, once the negotiation process EU-Mercosur fails. Success in pursuing a sustained regional strategy for engagement may in turn depend on strengthening bilateral relationships with Brazil's neighbours, using issues other than trade as entry points for expanded dialogue.

In spite of Europe's difficulty in articulating a coherent view on global affairs, it remains a trade superpower and this is one reason for Brazil to have an interest in working to build up economic ties with the EU in the near future. As an important regulatory actor, Europe may represent an especially important ally in efforts to strengthen rules-based global governance. Indeed, both the EU and Brazil have the potential to present innovative concepts on the future of international order, so it is not unreasonable to expect that further exchange among these actors could also contribute to a more effective multilateral system in the years ahead.