



## Brazil as an Emerging Actor in International Development Cooperation: A Good Partner for European Donors?

Brazil is an increasingly important actor in international development cooperation. Even though Brazilian international cooperation is relatively small in quantitative terms, the country is increasing it steadily. Brazilian development cooperation is part of its foreign policy and has its origins in the late 1960s, was expanded in the 1980s and 1990s and reinforced again since 2002 as part of the South-South cooperation focus of the Luiz Inacio "Lula" da Silva government. Due to rising per-capita income levels Brazil since the 1990s has been not just a recipient but also a provider of development cooperation. Technical cooperation, in terms of capacity building and knowledge exchange, represent the main part, while financial cooperation is still low.

The Brazilian Cooperation Agency (*Agência Brasileira de Cooperação*) stresses the following as its overarching objectives: to contribute to the deepening of Brazil's relations with development countries, to extend the exchange and dissemination of technical knowledge, to promote capacity building, and to strengthen the state institutions in development countries. Furthermore, Brazil also aims at projecting its image beyond the region on a global level and at increasing its visibility and

impact in international relations and its role as a global actor. In this sense, Brazil has entered into cooperation partnerships with South American, Caribbean and African countries as a means of seeking recognition and support for its global position and for initiatives like its lobbying efforts for United Nations (UN) reform and a permanent seat in the UN Security Council.

Although reluctant to accept the Paris Declaration principles which it perceives as being rules imposed by the traditional northern donor countries, Brazil shares key values and ideas with European donors, as in particular the promotion and protection of democracy and human rights in partner countries. In this sense, closer collaboration between Europe and Brazil at both levels, debates on overall coordination, guidelines and rule setting in the field of international development cooperation on the one hand and concrete trilateral projects with other southern developing countries on the other, could be of mutual benefit and are worthy of further exploration. Nevertheless, political and economic interests are also influencing in Brazil's engagement in international development cooperation and should be taken into account when evaluating the potential of Brazil as a partner in international cooperation.

If judged only by its development aid volume, Brazil is a relatively small emerging actor alongside other more substantial actors, not least so China. Yet, this Latin American country is a factor in global policy, also beyond its immediate neighbourhood. The development cooperation programmes are an institutionally as well as politically integrated part of Brazilian foreign policy. Through development partnerships with Latin America and the Caribbean (LAC) and the community of Portuguese-speaking countries (PALOP) Brazil is also seeking recognition and support for its role as a global actor and for initiatives reflecting the aspirations for greater weight in the UN, particularly a permanent seat in the UN Security Council. Furthermore, a more developed LAC and Africa are seen as future attractive markets for Brazilian exports.

More specifically and according to official publications, Brazilian cooperation partnerships are meant to contribute to the deepening of Brazil's relations with development countries, to export good domestic development experiences, to extend the exchange and dissemination of technical knowledge, to promote capacity building and to strengthen the state institutions in development countries. Several programmes implemented in the field of research for development are motivated by Brazilian interests and shall advance and consolidate Brazilian technological development and progress. Furthermore, the academic exchange and parallel research programmes with Indian and South African institutions under the IBSA (India-Brazil-South Africa) initiative have as their objective to promote technological development and research capacity in the three developing countries. These projects are usually designed for mutual benefit and aim at the promotion of development in partner coun-

tries without a clear distinction between "donor" and "recipient".

### Estimates on Brazil's spending on cooperation

Two other key studies (2007 and 2008), based on interviews and detailed budget calculations, estimate that Brazil's budget for development cooperation in 2007 amounts to 85 million US\$ of which around 81% (68.7 million US\$) are allocated among the Ministries of Foreign Affairs (including the Agency for Cooperation budget), Health, Education, Agriculture and Science and Technology. Nonetheless, these numbers are likely to be below the real amount dedicated to development cooperation, as a number of projects do not rely on national sources of financing and are not outlined in the Brazilian federal budget.

Brazilian development cooperation is likely to increase both in financial terms and regarding the number of executed programmes. Although the current global financial crisis might slow the growth of its cooperation budget, the on going improvement of the institutional setup and systematization are indicating its consolidation as an important part of Brazil's external relations in the next decade. Brazil is thus likely to gain weight as an international development actor and be a potential partner for European donors.

### Policy orientation: Priority to the neighbourhood and lusophone countries

Brazil's development cooperation is to be understood in the broader context of its orientation towards closer and more diversified South-South relations. Its cooperation activities are particularly interesting to actors like the European Union inas-

**Box 1: Brazilian aid – a range between US\$ 345 and 1275 million**

Like most other non-DAC development actors, Brazil does not systematically report its outgoing financial flows for development cooperation and there is no evaluation of its development cooperation budget. Thus, the volume of Brazilian aid is difficult to assess. Nevertheless, several officials have confirmed that such systematization is being worked at; the Brazilian Cooperation Agency is expected to publish a report by the beginning of 2010. Thus far, several estimates of Brazilian aid volumes have been published based on different sources of information. According to the most often-cited approximation of development cooperation disbursements (ECOSOC 2008), the total volume in 2006 was estimated at US\$ 345 million which represents 0.04% of the Brazilian GNI. According to United Nations Economic and Social Council (ECOSOC), Brazil is a development actor in the league of the Organisation for Economic Cooperation and Development (OECD) donor countries New Zealand and Luxembourg and almost doubles the contributions of the non-OECD donors Kuwait and South Africa, while lying far behind China, India, South Korea, Saudi Arabia and Turkey in aid volume. Yet, it is important to recall that these numbers are estimates with a high margin of error. According to the Brazilian Cooperation Agency, the amount could be rather around US\$ 1275 million. This would situate Brazil in the league of Ireland and India as a donor. Sources, however, give a general overview about the tendencies of the Brazilian development cooperation budget during the last years and offer a prospect for further increases due to the growing number of programmes to be implemented.

much as they go beyond Latin America and the Caribbean and are also involving developing countries in Africa and Asia.

Although no official disbursement percentages are available, recent reports indicate that Portuguese-speaking African countries (PALOPs) have become a priority in Brazilian technical cooperation. Brazil also is involved in several programmes and activities in LAC as well as in Asia, in particular (Portuguese-speaking) Timor Leste. The three main recipient countries of Brazilian development cooperation were in 2007 Haiti, Cape Verde and Timor Leste (ECOSOC 2008). The increasing number of programmes and projects executed since 2004 in Haiti is linked to the fact that Brazil has assumed the military leadership of the UN peace mission MINUSTAH in Haiti. The military and political commitment with the development of Haiti is underpinned by Brazil's engagement in bi-, multi- and trilateral cooperation projects, in particular in the field of agriculture and food security.

Brazil is engaged in technical development assistance programmes as well as research for development, while debt relief and food emergency assistance represent a rather small part of its international cooperation disbursement (ECOSOC 2008). Overall, Brazilian cooperation is providing less financial assistance and much more technical cooperation, knowledge exchange and capacity building programmes, e.g. with programmes that promote local capacities through education and professional formation especially in the agriculture sector while aiming also at promoting an international biofuels market, access to foreign markets for Brazilian goods, and international competitiveness for its enterprises. Furthermore, the credit lines provided by the *Banco Nacional de Desenvolvimento* (National Development Bank), are increasingly being directed towards developing countries instead of being mainly oriented to the domestic market, as was the case until the late nineties. The Bank does not form part of Brazilian international development cooperation in the narrow sense. Yet, its activities in supporting Brazilian investments in exports (in

particular in the infrastructure and biofuels areas) are part of Brazil's overall strategy to strengthen ties with developing countries. In this context, one motivation, apart from strengthening Brazil's position as a global actor, is of course the economic interest in accessing new markets and promoting the Brazilian role as an important biofuels producer.

Despite limited funds, the Brazilian development cooperation portfolio is very broad; it is growing fast in importance and visibility. Due to the diffuse institutional structure, programmes are overlapping in practice, and it is difficult to make a clear distinction between policy guidelines and funding flows among them. The priority sectors of international technical cooperation by Brazil are agriculture and to some lesser extent also health, professional education and public administration support (capacity building). Programmes aiming at the development of advanced technology are being carried out in cooperation with other developing countries and implemented by Brazil. A particular field with an increasing importance during the last years is the production and use of biofuels, where Brazil has a particular expertise and in which *Embrapa* (Brazilian Agricultural Research Corporation) is engaged in Portuguese-speaking Africa and Latin America, particularly with the aim of advancing Brazilian technology and promoting a global biofuels market.

**Brazil's cooperation principles: Shifts under the surface of "Southern" rhetoric**

Traditionally, Brazilian foreign policy, including development cooperation, abides by the principle of strict non-intervention. Nevertheless, during the last years Brazil has "softened" this position in particular when accepting the military leadership of the peace mission in Haiti. In this context, humanitarian, military and political intervention is accepted under three conditions: (1) existence of a humanitarian crisis, (2) demand of the "inviting" country and, when it comes to military engagement, (3) a clear UN mandate.

Brazil might be regarded as an amenable partner with regard to the goals of cooperation, since it supports the values defended by the Northern and in particular European "donors" with regard to democracy and the protection of human rights and also commits itself to promoting the Millennium Development Goals (MDG). On the other hand, Brazil is also a difficult partner when it comes to cooperation principles. As a consequence of the non-interference principle, Brazil emphasises that its development cooperation is not linked to political conditionalities. This position is also reflected in its criticism of the Paris Declaration and the Accra Agenda. Brazil has signed the Paris Declaration – but claims to have signed as a recipient country only. At the Third High Level Forum of Aid Effectiveness in September 2008 in Accra, Brazil initially refused to sign the declaration. The Brazilian diplomats in Accra expressed reluctance regarding the "Northern" agenda and guidelines and emphasized the difference between North-South and South-South cooperation. According to their perspective, North-South cooperation was characterized by the unequal relationship between donors and recipients, whereas, Brazilian representatives claimed, South-South cooperation was defined by a relation between equal partners and managed the exchange of experience and supporting and developing local capacities of the cooperating countries. The Accra Agenda for Action ultimately – and not least due to Brazilian insistence – included paragraphs on South-South cooperation. These paragraphs, while distinguishing South-South cooperation from traditional development cooperation, are "recommending" an orientation towards the Paris principles (<http://www.undp.org/mdtf/docs/Accra-Agenda-for-Action.pdf>).

The Accra Agenda also includes points on trilateral cooperation. Brazil currently engages in this form of cooperation and is interested in increasing its participation in trilateral cooperation, since this could be regarded as a form of additional funding for Brazilian endeavours. According to the Cooperation Agency, these trilateral programmes aim at the promotion of professional capacity building, institutional improvements and technical exchange in favour of all participating partner countries. During the last years, several international partners, e.g. Japan, Germany, the UK and the EU, have increased their trilateral cooperation programmes with Brazil, which are still small but growing in LAC and the PALOPs.

### Whom to engage with: The institutional setup of Brazilian cooperation

Brazil also became a provider of cooperation - alongside its continued role as a recipient of aid - in the 1990s. The Ministry of Foreign Affairs defines the guidelines for development cooperation policy, prescribing broad orientations to the Brazilian Cooperation Agency (ABC - *Agência Brasileira de Cooperação*) and the other actors. The Agency, created in 1987 as part of the Ministry of Foreign Affairs, assumed two main functions: (i) external and internal coordination in order to foster international cooperation and (ii) linking foreign policy priorities to internal development needs. Shaping much of the partnerships with Southern countries, the ABC has assumed an increasingly important role in Brazilian foreign policy and is responsible for the technical cooperation among development countries (TCDC) in partnerships with third countries, in particular in LAC and the PALOPs. The Agency's general coordination for technical cooperation is divided into two regional departments and two coordination departments.

#### Box 2: Brazilian cooperation on aid in the UN

Initiatives promoted in the context of the United Nations are generally positively received in Brazil, despite the Brazilian reluctance to accept concepts and principles as applied in the Paris Declaration. Consequently, Brazil also supports the ECOSOC Development Cooperation Forum (DCF) as a multilateral initiative and platform for exchange of information and experiences as well as loose international coordination. According to officials, the country intends to increase its engagement in these fora in the context of the UN in the next years, in order to exchange experiences and coordinate efforts with other actors. Brazil already participates in the UNDP processes aimed at fostering technical cooperation among developing countries. The UN World Conference on Technical Cooperation among Developing Countries held in 1978 in Buenos Aires was an important starting point for increasing South-South cooperation and exploring its potential in the international system, as stated by the Cooperation Agency. For Brazil, this conference is a reference point in its commitment to -cooperation regarding developing countries and to finding solutions for problems according to the partners' socioeconomic conditions.

Although the Agency provides Brazil with an institutional focal point in its cooperation policy, coordination is still difficult and activities are diffuse basically because of the participation of very different partners and the lack of coherent and comprehensive framing strategies. Among the Brazilian ministries, loose forms of inter-ministerial cooperation as well as exchanges and coordination with other entities are established. ABC has the role of negotiating, promoting, and monitoring the Brazilian government's cooperation projects and programmes and coordinating the relationship with the counter-

parts in the partner countries as well as coordinating financial resources of the projects. The different ministries and institutions usually contribute technical experts while the Agency provides travel and per diem resources, along with capital investment and consultancy work. Currently, 120 institutions are said to be involved in Brazilian development cooperation, and officials estimate that for each Brazilian Real spent by the Agency, 15 more Reals are spent by other institutions. It is planned to strengthen ABC, which might thus in the future serve as an institutional contact point with experience in policy for global development for external partners, too.

### Conclusions: Brazilian cooperation - a partner for Europe?

Brazil currently has a relatively small impact in quantitative terms in international development cooperation. Nevertheless, it is becoming an increasingly important player and is gaining more influence in international debates and in the activities for promotion of development in particular in Latin American, the Caribbean, and African countries.

There are tendencies towards an increasing professionalisation in cooperation. Budgets and programmes of Brazilian development cooperation are growing in the region and in PALOP. This trend is likely to continue over the next years, if the next President, who will start his term in January 2011, will pursue the path chosen by his or her predecessors Lula and Cardoso on external relations. South-South cooperation will remain a crucial element in Brazilian foreign policy. Even if the next administration pays less attention to development cooperation, the steps already taken towards a better systematisation, as for example the elaboration of a clear budget overview, will have a positive impact on the institutionalisation process.

Brazil shares the basic values of traditional donors, in particular democracy and human rights protection. The country can potentially become a good partner for the EU in international fora on development policy. However, convincing Brazil of the worthiness of the Paris and Accra Agenda will be a challenge. The undoubted need for higher transparency and accountability of Brazilian cooperation policy is to be addressed in a first move in 2009. Furthermore, foreign aid is more likely to be accepted by public opinion if the internal socio-economic situation and development continues to improve.

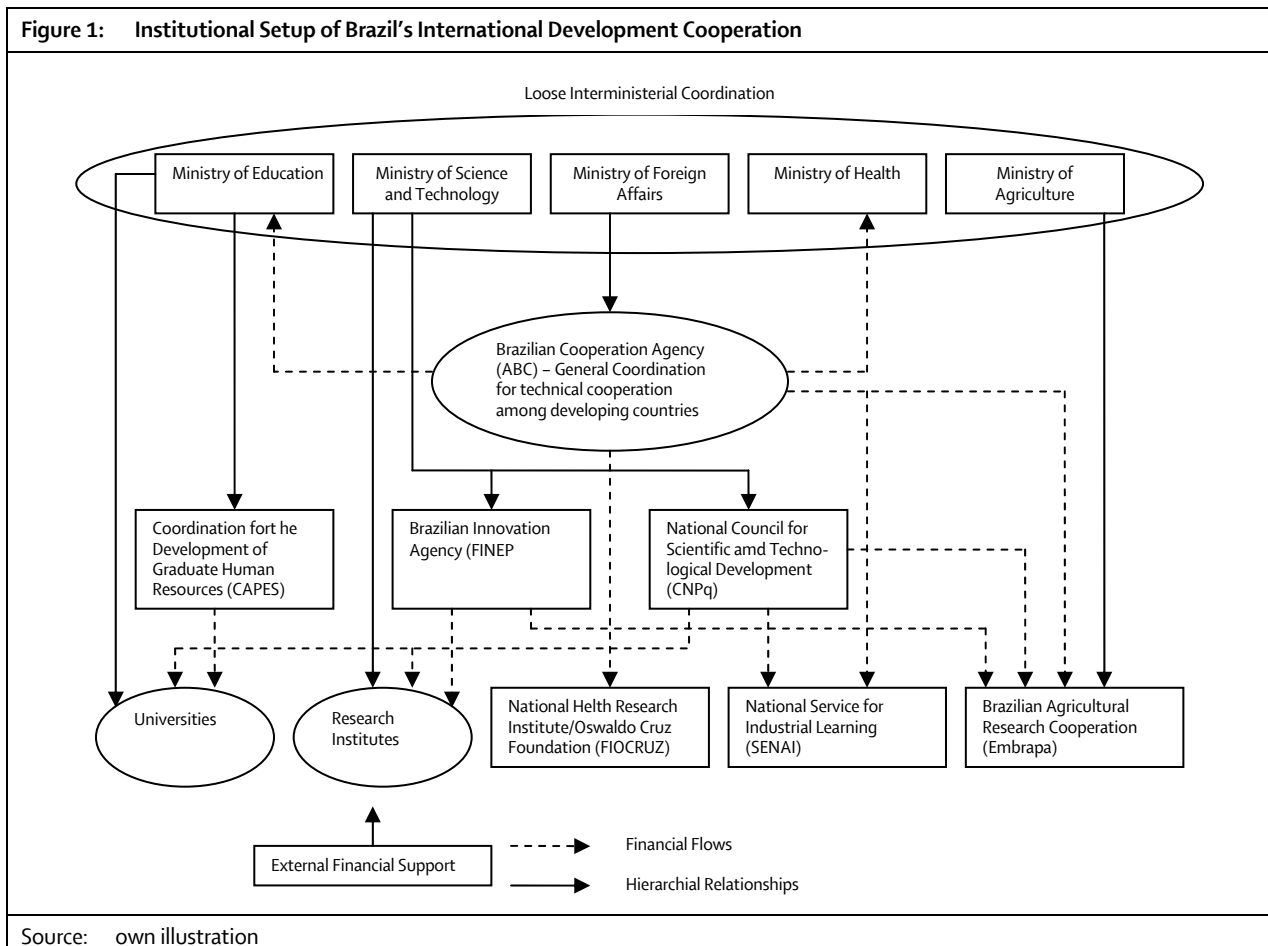
In the light of current changes and debates Brazil is likely to engage increasingly in discussions with traditional donors while also looking for a more universal platform than OECD-DAC. Brazilian officials mention, for example, their interest in coordinating development cooperation through broader multilateral institutions, as for example the DCF.

In this sense, stronger collaboration could be of mutual benefit at the level of debates on overall coordination, guidelines and rule setting in the field of international development cooperation. If basic standards and principles are agreed upon, this could well turn into concrete trilateral projects with other Southern developing countries.

The added value of Brazil in international development cooperation - also from a European perspective - lies in particular in the following aspects:

- Brazil has strong domestic experience of development. Its national programme on combating hunger, its reforms in the education sector, its investments in the health sector, its own approaches in agriculture and energy, e.g. biofuels, are starting points for Brazilian cooperation. If properly built upon, this approach could be complementary to the EU's experience in providing development cooperation. Brazil is interested in triangular development projects with OECD donors and this potential should be carefully explored.

**Figure 1: Institutional Setup of Brazil's International Development Cooperation**



Source: own illustration

- With regard to sectors of cooperation, the country has a key interest in the agriculture and energy sectors, since it is the most important biofuels exporter in the world, giving it a special role which should not be underestimated.
- Brazil is in a hybrid position between the developing and the developed worlds, understanding and being respected generally by both sides, even though in its immediate neighbourhood, rivalries might hamper the Brazilian position. Commitment to multilateralism and/or regional integration can somewhat balance this inhibiting factor.
- And, last but not least, merely because of its size, the country is a natural partner in global governance. Particularly in environmental issues (the Amazonas), it is of crucial importance.
- The Brazilian factor can and should be included in international cooperation policy. The country indeed has ambitions to be a global leader, and since tomorrow's leaders will have to engage in networks, Europe would be well advised to keep in close contact with developments in one of Latin America's heavyweights.

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