Briefing

Brazil as an international actor

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Drivers for development cooperation

By Mariella Di Ciommo (DI) & Alice Amorim (GIP)

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Executive summary

Brazil's successes in reducing poverty drive attention to its development cooperation

Brazilian development cooperation has gained more relevance in recent years, mainly due to a multi-polar distribution of power globally and an increase of development cooperation from some Southern providers. Brazil is one of these providers and is seen as a likely candidate to lead an emerging development agenda from the South.

Some developing countries would like to learn development lessons from Brazil. The country's good reputation relies on being a democracy that combines political stability, economic growth and poverty reduction Its successful national social protection system has international recognition. Brazil halved poverty ahead of the Millennium Development Goals deadline and puts the eradication of poverty at the centre of its official post-2015 engagement.

Changes in Brazil's foreign policy affect its development cooperation

Brazil would like to have a bigger role in international affairs. President Lula's administration (2003–2011) focused on making Brazil a leader among developing countries – able to raise their voice and be a mediator between developing and developed countries. His main foreign policy objective was to rebalance global power relations.

This agenda has lost traction under President Dilma (since 2011), whose main focuses are domestic. Her government's external engagement tends to serve the purpose of fostering the national economy through the internationalisation of Brazilian enterprises and trade. The creation of the BRICS New Development Bank is a concrete example.

While the aim of reshaping the dynamic of global politics and fostering domestic economic development are interrelated, President Luiz Inácio Lula da Silva prioritised political gains in foreign relations, while President Dilma Rousseff places a bigger emphasis on economic benefits.

Development cooperation is considered a tool to strengthen South–South relations, nurturing a positive image of Brazil in partner countries and amplifying the space for political autonomy and economic independence from developed countries.

Brazilian development cooperation's principal aim is to share knowledge about relevant Brazilian policies under the request of partner countries. According to some public officials the responsibility of customising and implementing those policies is with the latter, while Brazil's contribution is primarily to share its domestic experience.

Development cooperation is a new policy space in Brazil, and engagement is growing

This briefing maps the landscape of Brazilian development cooperation, as expressed through in-depth interviews with more than 20 academics, civil society representatives, and civil servants in the federal administration. Discussion of development cooperation issues still attracts a limited number of actors, but new opportunities are emerging.

The main priority of these stakeholders is to ensure that Brazilian development cooperation, which is largely based on sharing expertise of national policies with other countries, promotes an inclusive and sustainable development model. Most of these stakeholders have a background in national issues and want to be sure that development cooperation does not replicate the limitations and downsides of national policies that they criticise domestically.

The priority is to make foreign relations a public policy, including better accountability and institutions

A more energetic foreign policy has led to requests to open this policy space to public debate. This is a relatively new demand, as Brazilian foreign policy has traditionally received little attention in comparison with other policy areas (remaining under the control of diplomats, academics and experts). There is almost no interest among parliamentarians in this agenda and consequently little accountability through national congress and senate.

The key demands that emerge from the study are:

- A more accountable, functional, transparent and inclusive institutional and legal framework, including the establishment of a multi-stakeholder council of foreign relations
- A clearer alignment between the principles that drive Brazil's international engagement with its development cooperation practice
- Better information on the impact of Brazilian development cooperation in partner countries
- A more transparent and responsible national development bank, in particular regarding its operations abroad.

A strong national constituency is needed

Stakeholders signalled that their ability to influence policy is currently limited. Better information is a precondition to building an informed and open debate. Access to policy makers should also improve. Brazil still remains a country with major domestic economic and social challenges and development cooperation needs to prove what benefits it brings to both developing countries and to the domestic community. Building a strong and engaged community of support is key to make the most of the country's potential as a development partner. More participation and accountability are essential to make the most of this opportunity.

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Contact:

Mariella Di Ciommo, Senior Analyst – Development Initiatives, Rio de Janeiro, Brazil T: +55 (21) 2551-6092 | E: mariella.diciommo@devinit.org | www.devinit.org

Alice Amorim, Associate – Gestão de Interesse Público (Public Interest Management) T: +55 (21) 2551-6092 | E: alice@gip.net.br/ | www.gip.net.br/

1. Introduction

Countries traditionally considered to be 'developing' are increasingly influential providers of international development cooperation. International development cooperation with other developing countries is not necessarily new to these emerging providers. These activities have become more prominent due both to a more multi-polar distribution of power globally, and the increasing scale of development cooperation by these providers.

As the post-2015 development agenda and financing discussions come to a head later this year, understanding these providers' resource flows is more critical than ever. They could positively contribute to the goal of ending poverty by 2030, in complementarity with aid and other flows.

Development Initiatives' 2014 report <u>Development Cooperation for the Future</u> looked at the global landscape, finding that more and better information on these emerging providers' activities is essential to further understand and analyse their contributions to development. This paper aims to contribute to this debate.

Brazil's poverty reduction success drives attention to its development cooperation

Among these emerging providers of development cooperation, Brazil is a potential leader of efforts to foster cooperation through the South, being a democracy that combines political stability with long-term economic development and poverty reduction. Its successful national social protection system has gained international recognition. These have helped Brazil to halve poverty based on the international PPP\$1.25-a-day measure ahead of the Millennium Development Goals deadline, and more than halve based on the national definition of extreme poverty (Figure 1). Brazil has also put the eradication of poverty and sustainable development at the centre of its official post-2015 engagement.

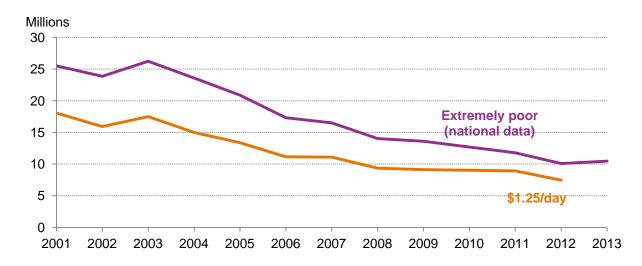


Figure 1. Brazil halved poverty between 2001 and 2013

People living in extreme poverty according to the international poverty line (\$1.25) and Brazil's national data. Source: World Bank's World Development Indicators; Institue of Applied Economic Research (IPEA).

Brazil's 2014 economic slowdown, however, is thought to have led to an increased number of people living in poverty according to national data.² Brazil's electorate, which recently re-elected

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¹ Brazil uses different administrative poverty lines, but does not have an official one. Poverty mentioned in text is calculated estimating the value of a basic food basket covering minimum calories requirements per person, as established by the FAO and WHO. Values vary by region in Brazil. IPEA data: http://www.ipeadata.gov.br/

President Dilma Rousseff, will be watching her government closely to see if it can continue to deliver economic growth and social progress. This context is likely to negatively impact Brazil's development cooperation in the next years.

A domestic constituency of support for engagement abroad is vital

Despite a recent economic slowdown, the long-term success of Brazil's social policies continues to hold appeal to other developing countries, keen to learn from its lessons and expertise to guide their own development, and to traditional donors, keen to partner with Brazil in other developing countries. Brazil is still an aid recipient, and this experience is thought to better equip the country to understand the perspective of fellow recipients of assistance. But this broad international appeal for Brazil as a development cooperation provider is not matched with a wide domestic community to support this engagement. Strengthening this community is vital to ensure that Brazil makes the most of its potential as an international actor.

This briefing examines the national community of those currently involved on Brazil's development cooperation – its priorities, activities and challenges – and so contribute to better knowledge on the opportunities and challenges ahead. More than 20 interviews were held, between April and October 2014, with civil society, academics, policy officials and civil servants (See Annex II for a list of interviewed organisations). Most interviewees have a background in national issues that have gained an international perspective with Brazil's growing external engagement. The briefing is also based on analysis of literature, official reports and statements and attendance at a wide range of events.

The work does not aim to capture all the different views on Brazilian development cooperation present in the country, rather it offers an in-depth description of those who are currently more vocal. Other players, in particular those who influenced Brazilian foreign policy before 2003, may have different views.

Wide knowledge gaps need to be filled

Civil society organisations (CSOs) and academics working in this area are clear that the knowledge and data gaps on Brazil's development cooperation are wide. The capacity and capabilities of CSOs working on international development are also limited, as is funding to support their growth. Their focus still remains mainly national due to the persistence of wide developmental challenges in Brazil.

This skews domestic debate towards a focus on Brazil as an international actor, rather than towards the global development debates or other providers of South–South cooperation. National CSOs prioritise demanding from the government more information about Brazilian development cooperation projects over more research and engagement within the broader international development cooperation issues.

The official forum of Brazil, Russia, India, China and South Africa (BRICS) is an important part of the South–South agenda of Brazil and influences its development cooperation. The 2014 BRICS summit held in Brazil provided a rare opportunity to debate the relationship between Brazil and other BRICS members – China in particular – inequality within BRICS countries, their duty as development cooperation providers and the role that the New Development Bank will play in the global finance architecture.

³ The study did not include interviews with the private sector. Although private sector stakeholders' views and involvement in South–South relations are of great importance, we decided to focus on civil society and the public sector due to easier access to these segments and to keep the study manageable.

⁴ This is not the case of Ministry of Foreign Affairs officials.

⁵ Diplomats of the Brazilian Ministry of Foreign Affairs are very familiar with global development debates, including on South–South relations, and engage more than civil society does with these themes.

2. Brazil's foreign policy and development cooperation

As a country, Brazil has always aspired to play a larger role in international affairs. As the fifth biggest country in the world according to population size, the seventh largest economy and a country relatively rich in natural resources, Brazil is a key geopolitical global player. However, its international leadership remains limited.

Under President Lula, Brazil invested in more equal global power relations

During Fernando Henrique Cardoso's presidencies (1994–2002), Brazil's government strategy and desire was to be considered a member – or at least a close partner by Western countries – in particular by members of the Organisation of Economic Cooperation and Development (OECD). This required Brazil's integration with the developed nations' community.

Since former President Lula assumed presidency in 2003, the focus shifted towards a more active South–South engagement. By increasing its relations with other developing countries, Brazil hoped to strengthen the solidarity of the South to challenge the perceived inequality in the global balance of power and, ultimately, increase its own leadership in the new multipolar global system. Rebalancing global power relations in favour of developing countries became Brazil's primary foreign policy aim; development cooperation was one instrument to achieve this goal.

As part of this vision, Brazil has been seeking a permanent seat in the United Nations (UN) Security Council and leading posts in international institutions; Brazilians are currently leading the World Trade Organisation and the Food and Agriculture Organisation. Brazil has been an active member within the BRICS and New Development Bank and led the creation of the Community of Latin American and Caribbean states and the Union of South American Nations.

The aim to rebalance global power relations has affected Brazil's outlook in two ways. Firstly, Brazil has chosen to distance itself from solutions proposed by developed countries, instead favouring nationally driven responses. Secondly, Brazil has put a strong emphasis on principles of independence, respect for sovereignty and non-interference in the domestic affairs of partner countries – especially in the areas of trade, development cooperation and foreign policy. ⁹

This mindset is predominant among most CSOs and academics that were interviewed, especially among those closer to either the government or more left wing of the political landscape. They welcome Brazil's success in both poverty eradication and the promotion of social inclusion through national solutions, and celebrate the priority given to South–South relations.

Stakeholders signal that Brazil should promote a sustainable development model abroad

Many CSOs criticise Brazil's domestic development model due to persistent inequality, environmental degradation, poor public services and insufficient consideration of the social and environmental impact of intensive agriculture and large-scale infrastructure. Above all, they

⁶ Population size is based on United Nations estimates: http://www.un.org/popin/index.html. Economy size takes into account Brazil's gross domestic product in purchasing power parity in 2014. Source: World Economic Outlook database, http://www.imf.org/external/pubs/ft/weo/2014/01/weodata/index.aspx. Brazil is in 79th position when gross domestic product per capita is considered.

⁷ During former President Lula's two administrations, Brazil opened 19 new embassies in the African continent alone.

⁸ Costa Leite, Iara et al. (2014), <u>Brazil's engagement in international development cooperation</u>; World Bank and IPEA (2012), <u>Bridging the Atlantic: Brazil and Sub-Saharan Africa South-South Partnering from Growth</u>

⁹ Brazil's foreign policy has historically being influenced by 'dependency theory'. This school of thought in international relations has been popular in Latin America since the 1940s, in particular due to the work of Raul Prebisch, Celso Furtado and Anibal Pinto of the UN Economic Commission for Latin America. It argues that underdevelopment of some countries is not due to internal factors or market failures, but political and economic dependency of developing countries on developed countries in a global capitalist system. Political autonomy and economic independence from 'core' developed countries is seen as crucial to break this cycle of dependency. The traditional thinkers of the dependency theory highlight the harmful consequences of dependency throughout history: colonialism, unbalanced trade relations and, more recently, the negative impact of the 'Washington Consensus'. This approach underpins criticisms of 'one-size-fits-all' economic thinking, particularly around conditions attached to International Monetary Fund crisis lending.

criticise the government's economic policy for its reliance on the export of cash crops, minerals and other natural resources. This export-led growth model, which has characterised Brazil since the colonial times, is perceived to create very little benefit to the Brazilian population and to deepen wealth concentration within elites.

For Brazil to be a positive development partner for other developing countries, its ability to avoid replicating the domestic limitations of its own development model in other developing countries is seen as essential. This is a major driver of the attention of Brazilian CSOs and socially engaged academics.

President Dilma Rousseff's main objective is fostering the national economy

The main objective of foreign policy under President Dilma Rousseff's leadership is to support the national economy through commerce promotion and the internationalisation of private enterprises, which is being financially supported by the Brazil's national development bank (Banco Nacional de Desenvolvimento Econômico e Social, or BNDES). Mauro Vieira, the new Foreign Affairs Minister, has been tasked with raising Brazil's global profile and increasing trade. 10

This shift is also due to a more challenging economic environment with slower growth, falling commodity prices, increased inflation and tighter fiscal and monetary policy. There are concerns that commercial priorities could jeopardise efforts in areas such as poverty eradication and the environment. It is unclear how much national economic interests affect Brazilian development cooperation.

Brazil is keen to play a major role in setting sustainable development goals linking poverty reduction and environmental concerns within the post-2015 development framework. Brazil's Environment Minister, Izabella Teixeira, participated in the UN Secretary General's High Level Panel of Eminent Persons. The government is fully mobilised to influence the sustainable development goals, in line with its steadfast commitment to the UN and the multilateral system, and to take the opportunity to develop soft power. 11 But at the time of our interviews, Brazilian CSOs were not very engaged with this agenda due to its perceived low ability to influence global process. Engagement has somewhat increased since September 2014, but it remains small.

3. Brazil as a development cooperation actor

The political drivers of Brazilian development cooperation are changing

Brazil has engaged in international development cooperation for more than 50 years. President Lula's administration (2003–2011) made a determined attempt to scale-up this development cooperation. Brazil maintained good relationships with Europe and North America, while offering leadership in Latin America and strengthening economic and diplomatic ties with Africa. Fighting poverty and hunger were the main objectives of development cooperation, and towards the end of this period greater engagement of Brazil's private sector with other countries, particularly those in Africa, was encouraged. 12

Sustaining a positive and credible reputation among partner countries is an important driver of Brazilian foreign relations. Brazilian diplomats always try to reinforce the country's profile as able and open to negotiate with any other country without compromising its autonomy and

¹⁰ Valor Econômico (14 January 2015), Por resultados na diplomacia comercial [Put results in trade diplomacy].

Hackenesch, C. and Heiner, J. (2013), Post 2015: How Emerging Economies Shape the Relevance of a New Agenda; Milani, C. and Carvalho, T. (2012), Cooperação Sul Sul e política externa: Brasil e China no continente africano [South-South cooperation and foreign policy: Brazil and China in the African continent]

12 Waldersee, Victoria (2014), Chinese and Brazilian Private Firms in Sub-Saharan Africa.

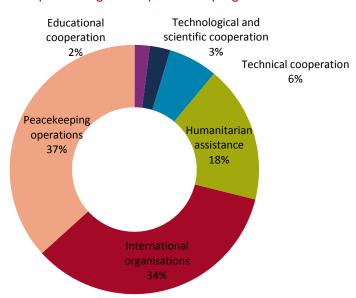
credibility. 13 President Lula fully endorsed this approach, while President Dilma prefers a more pragmatic approach to foreign affairs.

While President Dilma has continued her predecessor's focus on providing leadership in Latin America and strengthening relationships with Africa, domestic challenges have been her priority. She has devoted less energy to external relations, making fewer official foreign visits and receiving fewer official visitors, with the notable exception of the BRICS. 14 The Brazilian Ministry of Foreign Affairs (also known as Itamaraty) and the Brazilian Cooperation Agency (ABC) – an office within the foreign ministry with a formal mandate to coordinate and implement Brazil's international technical cooperation - suffered budget cuts. Itamaraty's share of the national budget fell from 0.5% (2003) to 0.27% (2014). 15

Data on Brazilian development cooperation are limited

Although its scale and detail are difficult to track over time. Brazil appears to have more than doubled its development cooperation since 2005. 16 It reached US\$893 million in 2010, with 37% going to peacekeeping operations and 34% contributing to international organisations such as the UN (Figure 2). Poor data make comparisons with other emerging providers difficult; but, compared with the size of its economy. Brazil's development cooperation is less than that of China and Saudi Arabia's, according to available estimates. 17

Figure 2. Most development cooperation goes to peacekeeping and international organisations



Notes: 2010 gross disbursements. Development Initiatives calculations based on IPEA (2013)

The Brazilian government published two reports together covering flows from 2005 to 2010, compiled by the Institute for Applied Economic Research (IPEA). 18 A new report covering flows until 2013 is in preparation, but timeline for publication is unclear. While these publications provide very useful information on Brazil's engagement with other developing countries, they could be improved. 19 Beyond this, there are no mechanisms to consistently collect and share information by all agencies involved.

Data show that 91 federal agencies provided development cooperation in 2010; yet coordination within the system is very limited. The ABC has the formal mandate to coordinate and implement

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¹³ Milani, Carlos et al. (2014), <u>Atlas da política externa brasileira</u> [Atlas of Brazilian foreign policy]

¹⁴ iG (2 June 2014), Com orçamento apertado, Dilma freia pilares da política externa de Lula [With a reduced budget, Dilma curbs pillars of Lula's foreign policy].

Folha de São Paulo (23 January 2015), <u>Itamaraty diz não ter como cobrir despesas</u> [Itamaraty says it cannot cover costs]. ¹⁶ Calculations based on IPEA (2010), <u>Brazilian Development Cooperation 2005–2009</u>; IPEA (2013), <u>Brazilian Development</u> Cooperation 2010.

¹⁷ See Investments to End Poverty and Development Cooperation for the Future.

¹⁸ IPEA (2010), Brazilian Development Cooperation 2005–2009; IPEA (2013), Brazilian Development Cooperation 2010.

¹⁹ See <u>Development Cooperation for the Future</u>.

Brazil's international technical cooperation, but this responsibility does not match its ability to command resources. This form of cooperation accounts for just 6% of Brazil's overall development cooperation, and the agency implements 80% of technical cooperation. The other 94% is delivered by other federal government agencies with only weak coordination with ABC. The government has not made consistent attempts to raise the level of coordination.

Brazil also provides development cooperation through states and municipalities.²¹

Brazil has its own principles and practices of development cooperation

Brazil's development cooperation is officially guided by a different set of principles than those that govern the OECD's measure of official development assistance. These include solidarity with developing nations, non-interference in their domestic affairs, equality in relationships with other developing countries and being demand-driven. These principles are appealing to many developing countries, especially those that see development cooperation as the means to learn from Brazil's successes. Mutual benefit, rather than a guiding principle, is considered a beneficial outcome of cooperation relationships.

Brazilian technical cooperation is mainly delivered by civil servants. The Brazilian government regards this as a merit of its development cooperation. It argues that civil servants with relevant expertise are best placed to implement activities based on national policies, and come at lower costs than consultants more common in North–South cooperation. But this approach has its limitations. Civil servants may have experience in their own policy areas within Brazil, but could lack the expertise to apply this in other country contexts. A lack of experience in working on international technical cooperation, knowledge of partner country systems and understanding of the local culture can be a serious challenge. Moreover, although Brazil's highly regarded diplomats are well qualified, they do not appear to receive substantive training in development cooperation provision.

4. National stakeholders' priorities for Brazil's development cooperation

For several CSOs and academics working on foreign policy and development cooperation, the main objective is to 'democratise' this policy area. Many domestic policies are publicly debated, but public scrutiny of Brazilian foreign policy is, by contrast, still very limited.

Foreign policy is a formal responsibility of the presidency that is managed by the Ministry of Foreign Affairs; Brazil's congress has very limited involvement in foreign policy. Formally, any international treaty that leads to national obligations or waging of war should receive congress approval. But this normally occurs with limited debate among parliamentarians as a mere bureaucratic duty.

Interest by congress in foreign topics is restricted to a few individuals, but this is increasing, driven by the BRICS grouping and internationalisation of Brazilian enterprises.²²

As foreign policy has become more energetic over the last decade, civil society and academia have become more involved and media coverage has been increasing from a low base.

Key drivers of this increasing public interest include:

- prioritisation of foreign policy by President Lula
- international events such as the Rio 92 and Rio+20 conferences and leadership on sustainable development, the World Cup and the Olympics
- perceived growing demand for development cooperation from Brazil by developing countries and other partners

²⁰ Calculations based on IPEA (2013), <u>Brazilian Development Cooperation 2010</u>.

²¹ This research did not cover this development cooperation modality.

²² One example is BNDES financing Brazilian construction companies to build port infrastructure in Cuba and Uruguay, when Brazil's port infrastructure is still a massive challenge. See here.

- great international interest in social programmes, including Bolsa Família, and their development impact
- participation in the BRICS and New Development Bank
- BNDES increase in lending and <u>international operations</u> (including offices in Johannesburg, London and Montevideo), and the opening of its International Division in 2008, which coordinates BNDES international operations.

The section below presents the key priorities presented throughout interviews with Brazilian stakeholders.

Stakeholder priority 1: A new institutional and legal framework

Brazil has weak institutional and legal frameworks for delivering development cooperation.²³ Its development cooperation is decentralised among many ministries and ABC only has a marginal role in its coordination (See section 3).

Interviewees appreciate that Brazil's decentralised system of development cooperation enables flexibility to adapt to partner country requests, but they note that it leads to fragmentation and undermines accountability. Formal and informal decision-making chains are difficult to follow. Decisions are likely to be made on an ad hoc basis to particular opportunities, international requests, domestic interests and the influence of political figures in Brazil, rather than taking place within a clear strategy or needs-assessment framework, or without considering Brazil's comparative advantages.

The existing legal framework limits international operations such as contracting out services abroad. Brazil has partnered with international agencies, including the World Food Programme and UN Development Programme, to overcome some of these limitations and implement activities, shift resources and hire staff to carry out development cooperation projects.²⁴

CSOs and academics that were interviewed suggest that without coordination and an overarching strategy, institutional complexity leads to inefficient practice, poor resource allocation and little understanding of impact. They see a new, improved institutional framework and regulation as vital to improve delivery, accountability and impact of Brazil's development cooperation.

In 2013, President Dilma Rousseff announced that a new agency would be created to coordinate development cooperation, trade and investment between Brazil, Africa and Latin America. This acknowledgment of needed reforms in ABC was well received, but the announcement raised concerns: combining development cooperation, foreign policy, trade and investment would undermine the non-conditional, solidarity-focused nature of Brazilian development cooperation.²⁵

The stakeholders interviewed favour a coordinating body rather than a single delivery agency. This arrangement would preserve the richness of development cooperation delivered by many agencies, while having an office with more adequate resources and a stronger mandate than the current ABC. Their view is that an agency should reflect the uniqueness of Brazil's development cooperation, rather than replicate models that might work elsewhere but do not fit with the Brazilian reality.

²³ The Brazilian Federal Constitution states that "cooperation among people for the progress of humanity" is a principle of international relations. Other principles are national independence, prevalence of human rights, self-determination of people, non-intervention, equality between states, protection of peace, pacific resolution of conflicts, repudiation of terrorism and racism, and provision of political asylum.

²⁴ Cabral, L. and Weinstock, J. (2010), <u>Brazilian Technical Cooperation for Development: Drivers, Mechanisms and Future</u>

Prospects.

25 Such a move would follow recent institutional changes in other countries. For example, in 2013 the Canadian International Development Agency was moved to the Department of Foreign Affairs and International Trade; in the same year, Australia suppressed the Australian Agency for International Development and reallocated its responsibilities to the Department of Foreign Affairs and Trade.

Stakeholder priority 2: Brazilian development cooperation should ensure more inclusive policy-making and accountability

The Ministry of Foreign Affairs was formally asked to establish a multi-stakeholder 'council on foreign relations' in 2013 (see Key Actors section). While accepted, discussions continue well over a year later, with next steps unclear.

In March 2014, the Ministry of Foreign Affairs organised a round of multi-stakeholder 'Dialogues on Foreign Policy' meetings.²⁷ These were to feed into Brazil's first foreign policy white paper, setting the principles, priorities and concrete guidelines for the country's actions abroad.²⁸ Attendance to the Dialogues was high and confirmed the public's wide interest on the topic. However, some attendees expressed reservations on the extent of the Ministry of Foreign Affairs' commitment to this process, suggesting that direct informal access to decision makers will remain a fundamental channel to influence policy. It is unclear exactly how commentaries will be used, and when, or if, the paper will be released. Some CSOs have been advocating for a clearer process.²⁹

A parallel debate regards the official definition of Brazilian development cooperation. The statistical definition used by IPEA, which corresponds to budgetary current expenditures and contributions to international organisations, is neither officially endorsed by the Brazilian government nor grounded in a wider national debate. ³⁰ Several interviewees see BNDES' international financing as a substantial omission (see section below).

Stakeholder priority 3: Transparency as a tool for public policy

In the meantime, stakeholders have raised concerns over information limitations and lack of government dialogue.

Transparency of development cooperation is a sensitive issue, and political consensus is not strong among policy-makers. There are insufficient resources available to collect, analyse and disseminate information within a complex system of development cooperation.³¹ Some decision makers are sceptical of the gains in complying with transparency requests from the development cooperation community.

ABC provides an online database of bilateral and trilateral projects coordinated by the agency, but financial information is not available, and it is not clear how comprehensive the database is. The reports compiled by IPEA are a welcomed additional step ahead, but are still insufficient in meeting national and international stakeholders' knowledge needs.

In contrast to the public sector, civil society and academia see access to information as a key challenge to raise the level of debate on Brazilian development cooperation. Transparency is considered positively by these actors, who feel that there needs to be a discussion on how to account for development cooperation – what counts, how to value it and how to report it. Brazilian stakeholders understand transparency as a tool to increase knowledge and

²⁶ GR-RI (16 July 2013), Pela criação de um órgão institucional permanente de consulta, participação e diálogo sobre a política externa brasilieira [For the creation of a permanent institutional body for consultation, participation and dialogue on Brazilian foreign policy].

²⁷ Thematic sessions were: Brazil, Latin America and regional integration; Brazil's relationships with developed countries; Perspectives on new international governance; Public policies for Brazilians abroad; Cooperation; Culture and education; Commercial promotion; Middle East; Africa; Challenges for Brazilian commercial policy; Climate change and sustainable development: Science and Technology: New geopolitics of energy.

development; Science and Technology; New geopolitics of energy.

28 EBC Agência Brasil (2 April 2014), <u>Itamaraty encerra debates que vão compor o Livro branco da política externa</u> [Itamaraty concludes debates that form the Brazilian foreign policy while paper].

²⁹ Le monde diplomatique Brasil (3 February 2014), <u>Livro branco: o Itamaraty está mudando?</u> [White paper: is the Itamaraty changing?].

³⁰ The definition includes expenditures for i) civil servants and other staff in the federal public administration, including travel costs, per diem, salaries, work hours, scholarships and donations; ii) contributions to international organisations by the federal governments. Debt relief and loans, whatever their concessionality, are excluded.

³¹ A recent assessment on the implementation of the Brazilian access to information law shows that Itamaraty performs below the average of executive bodies (44% of replies to requests of information from the public, against an average of 65% for all executive bodies). All data are sourced from: http://observatorio.artigo19.org/ Brazil regulated transparency of public authorities and access to information (Complementary Law 131/2009 and Law 12.527, November 2011). Regulation states that all federal entities have to disclose information to the public, with some exceptions also regulated by law.

accountability and to, ultimately, democratise decision making. Transparency demands cover five areas (Figure 3).

Figure 3. Transparency of Brazilian development cooperation encompasses five dimensions

Institutions: which ones Decision making: how are involved, their role and **Accountability:** what decisions on projects, how they interact among processes are in place resources and partners and who they involve each other and with the are made, and by whom external environment Data: where resources **Impact:** what impact it has come from, how much is in partner countries what spent and for what, where development model Brazil it goes and through which promotes abroad channels

Interviews showed that stakeholders are not familiar with the International Aid Transparency Initiative (IATI), a voluntary, multi-stakeholder initiative that aims to increase the transparency of development cooperation to maximise its impact on poverty. IATI is hosted by a UN Development Programme-led consortium and proposes a common, open standard for online publication of information on development cooperation.

The standard has proved to be adaptable to different providers' needs. Currently, more than 300 different organisations – bilateral donors, multilateral institutions, international and national CSOs, philanthropic foundations and private sector consultancies – are already publishing information to IATI. 32

Stakeholder priority 4: A need for better alignment between development cooperation principles and practice

Brazil's development cooperation is grounded in national values of democracy, human rights and inclusive development. Principles of Brazilian development cooperation are generally accepted by stakeholders, who nevertheless report both a lack of strategy and evidence that these principles influence decision making.

Limited information is available regarding the impact that Brazil's development cooperation has on the ground. There is a perceived risk of a mismatch or conflict between equally relevant principles, including: demand-driven action, solidarity and mutual benefits with developing countries, respect of sovereignty, and non-interference with and commitment to human rights. Most of the interviewees reject conditionalities in cooperation, and instead advocate consistent implementation of existing principles and democratic decision making.

Most stakeholders underlined that they want to ensure that Brazil avoids some of the perceived shortcomings of developed country development cooperation, such as reliance on one-size-fits-all solutions, ethnocentrism and conditionalities. Both the government's efforts to push for private sector internationalisation and its approach towards relationships with undemocratic regimes are additional areas of concern.

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³² Engagement with the International Aid Index, which ranks development providers according to their transparency is also limited. See: http://newati.publishwhatyoufund.org/2013/donor/brazil/.

Structural development cooperation

There is a feeling that Brazil's development cooperation lacks a coherent strategy across all providing agencies, with some agencies developing their own approach, with limited or no reference to the others.

One such approach is 'structural cooperation'. The concept is very much in flux, as its meaning varies across agencies and even among individuals within each agency.

One interpretation builds on a peculiar approach of Brazilian development cooperation that focuses on sharing national solutions with other developing countries. In this context, 'structural cooperation' goes beyond merely sharing a set of policies. It aims to implement a rights-based agenda and foster self-reliance in partner countries that are adapting Brazil's national policies and, indeed, values and approaches to other contexts. ³³ The benefits of this approach have been debated; some interviewees endorse its ambition to develop sustainable and bottom-up systems, while others highlight that adapting Brazil's experience to other contexts is difficult. Solutions that are right for Brazil do not necessarily work in a place with substantively different social, economic and institutional conditions. ³⁴ Some also argue that Brazil still faces its own challenges to translate these principles into sound domestic public policies and services, which casts doubt on its ability to pursue this agenda abroad.

A second interpretation of 'structural cooperation' challenges the distinction between humanitarian assistance and development cooperation, and sees humanitarian intervention as an opportunity to develop long-term solutions. This approach is positively regarded; it aims to fill the gap between short, punctual action and structural interventions. In other instances, this approach of conflating humanitarian assistance with structural ambitions and development activities can be seen as problematic. Particularly in conflict situations, initiatives aimed at changing the environment can be considered as favouring specific groups, institutions or ideological sides, which undermines Brazil's endorsement of humanitarian principles of impartiality and neutrality.³⁵

The 'structural cooperation' approach has been actively endorsed by the General Coordination for International Actions Against Hunger (CGFOME), a leading department within Itamaraty, working on food and nutrition security in partner countries. CGFOME focuses on solutions for developing sub-national/local economies and institutions, reducing disaster risk, and building a dialogue with local CSOs and providing them with leadership roles in cooperation activities. Agencies, such as the Brazilian Corporation of Agricultural Research (Embrapa) and Oswaldo Cruz Foundation (Fiocruz), have used this approach in health and agriculture initiatives.

Stakeholder priority 5: Ensuring positive impact in partner developing countries

A central concern of academia and CSOs is the impact of Brazil's development cooperation in partner countries. They fear that Brazilian development cooperation replicates domestic dynamics, which are considered to be the root of inequality and uneven access to rights in Brazil, although inequality has been decreasing. The most often quoted example is the Pro Savannah project, a trilateral agreement of agricultural development in Mozambique between

³³ One example would be Brazil's cooperation with Mozambique in the heath sector. This involvement is based on Mozambique's national plans, but also on the experience of Brazilian counterparts in establishing the National Health Service (SUS) in Brazil. Following Brazil's democratisation, young doctors promoted the constitutional choice of health as a right of all citizens and worked to establish a system that reflected that vision. It entailed a public health service, medical training and research, and some autonomy in the production of medicaments. Activities in Mozambique would reflect this design and ambition. See: BRICS Policy Centre (2014), Brazilian Health and Agriculture Cooperation in Mozambique: An Overview.

³⁴ In the case of health development cooperation in Mozambique, researchers flag that the establishment of the SUS in Brazil was based on a constitutional choice which has not been made by Mozambique. Secondly, the SUS was the result of civil society advocacy in Brazil that was able to keep this ambition alive until national resources were available to make that choice (after 1990s) and would be ready to defend it in the long term. This mobilisation does not exist in Mozambique. Thirdly, although the cooperation agreement between Mozambique and Brazil is wide-ranging, it is not clear whether some initiatives have the necessary consensus within Mozambique.

within Mozambique.

35 For details on Brazilian humanitarian action see: Global Humanitarian Assistance Brazil`s country profile.

the Mozambican government, Brazil's ABC and the Japanese International Cooperation Agency.³⁶

Another concern is the degradation of Brazil's reputation abroad. There is a significant need for better information from the field, and some initiatives are starting to fill this gap with, for example, research on agriculture cooperation.

The government has not given clear and consistent signs of commitment to evaluation and impact assessments of its initiatives, and such processes are reported to be occasional, if they happen at all.³⁷ Interviews revealed that Brazilian cooperation's principal aim is to share knowledge about relevant Brazilian policies. According to some public officials, the responsibility of customising and implementing those policies is solely with the partner country. This perspective can lead them to the conclusion that evaluation of results falls beyond Brazil's responsibilities.

Stakeholder priority 6: A more transparent and responsible BNDES

CSOs and some academics see BNDES' international financing as extremely relevant to foreign policy, and development cooperation in particular.

BNDES is one of the world's largest development finance institutions – which has led to increased attention both nationally and internationally. While promoting domestic development is its main goal, BNDES supports the internationalisation of Brazilian enterprises to export and invest in other countries.

Forum Transparência BNDES is a CSOs network in dialogue with BNDES on its socioenvironmental standards and transparency. How BNDES-financed international operations and Brazilian development cooperation are combined, whether they drive each other and what impact they have on local populations are of particular interest to these stakeholders. They are seeking greater detail on the BNDES international portfolio and demand that the bank ensures socio-environmental standards for international projects funded by the bank are at least the same as in Brazil.

5. Brazil's small but committed group of stakeholders

The national debate on development cooperation is limited

There is little public discussion of Brazil's role as an international actor within the country. Preelection debate in 2014 focused almost exclusively on domestic issues, suggesting that foreign policy still is of limited relevance and familiarity among the general public. Foreign policy is historically a matter for diplomats and experts. To the public, it is not clear why Brazil should engage internationally with developing countries and how these relationships might benefit Brazil. The use of public resources abroad is little known, and international projects are sometimes criticised for diverting already limited funds from national issues. Development cooperation is small in the national budget and has low visibility, meaning it creates limited interest. CSOs and others interested parties have little funding options to engage with the issue, exacerbating the lack of an informed public discussion on foreign policy.

Building a strong multi-stakeholder constituency to engage both government and the public in this area is a major challenge. Most academics and CSOs have limited access and influence on decision makers. Within the public administration, bodies with formal oversight responsibility for development cooperation, such as the ABC, have low influence on decision making. Other

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³⁶ The full name is Programme of Triangular Co-operation for Agricultural Development of the Tropical Savannahs of Mozambique. Based on the similarities between the Cerrado region in Brazil and the Nacala Corridor in Mozambique, the programme aims to foster a large-scale commodities production model adopted by Brazil in the former region in partnership with Japan. This technology was implemented in Brazil in the 1970s to develop soya production, and has proved economically successful since then. But it is strongly criticised for depriving local small-scale producers of their ways of life and means of subsistence. Grassroots Brazilian and Mozambican activists have been mounting a campaign against the project.

³⁷ The programme Purchase from African for Africa, conducted in partnership with the Food and Agriculture Organisation, the World Food Programme and the Department of International Development from the UK is a significant exception. See: Phase I Learning and Results Report.

agencies have gained more relevance; for example, Embrapa, the World Food Program (WFP) and the Ministry of Agriculture. Decision-making processes are difficult to identify, monitor and influence.

The results of a recent survey of thought leaders show divided opinions on Brazil's international role. ³⁸ More than two-thirds (71%) thought that Brazil has either some or great influence in the world. But at the same time over one-third (36%) thought Brazil could increase its weight internationally, and 57% said Brazil lacked the necessary capacity to increase its global political influence to do so.

Some 61% thought Brazil provides some form of assistance to other countries, but 26% said they did not know. Half of those surveyed (51%) thought Brazil should provide 'foreign assistance', while two-fifths (40%) were against any such support. The most important drivers suggested for this support were: national security, poverty reduction, fostering global peace and security, and solidarity.³⁹

A wider debate could increase accountability and legitimacy

These results support calls for an open domestic debate that could help to improve accountability and legitimacy of current policy practices. Without a national constituency to develop knowledge and political influence, the incentives for the government to improve the system will be limited, and Brazil's continued commitment to sharing expertise and resources to eradicate poverty globally could become at risk.

Despite this, there is already a small but active group of individuals and organisations committed to improving Brazil's development cooperation, many of whom we have interviewed for this study. The majority of these actors lie on the political left and initially engaged with development debates from the perspective of Brazil as a recipient. Their ideological background is influenced by movements that emerged during the re-democratisation process after the 1964-1984 military government, from the Bandung Conference of non-aligned countries in 1955 to Rio's sustainable development conferences held in 1992 and 2012. Some have close ties with trade unions and strong social movements, such as the Landless Workers' Movement, and have supported the Workers' Party since its foundation. The political dimension is central to the identity of many of these actors.

Other groups, of which some representatives were also interviewed for this exercise, look at the international role of Brazil from a more geopolitical and economic focus. They see the Brazilian cooperation as a means to rebalance power among developed and developing countries, and as an opportunity to foster Brazilian private sector internationalisation and trade outcomes.

Stakeholders currently engaged with Brazilian development cooperation are of very different background and have different roles in the system. A provisional categorisation divides them into providers, studiers and internalists (See annex).

Some initiatives are building space for discussion

While some individual organisations engage with development cooperation issues, a wide-ranging, inclusive debate is lacking.

The best established group on Brazil's international role is the Reflexion Group on International Relations (GRRI), a group of influential individuals and experts in the field. The group is well regarded, but its 'by-invitation-only' nature and proximity to the government limits its ability to foster open multi-stakeholder discussions on the future of Brazilian foreign policy and development cooperation.

Other more inclusive spaces for debates are led by the Southern think-tank Articulação Sul and the Institute of International Cooperation (INCIDE). The group organises regular thematic meetings on the topic of 'Brazil as a development cooperation actor'. In parallel to this,

³⁸ Views do not necessarily represent the views of policy-makers or development cooperation experts.

³⁹ Henson, S. (2013), <u>Brazil Public Opinion Monitor: Baseline Survey Results</u>.

Articulação Sul has launched the <u>Brazil and the South</u> digital platform, an online portal with information on development cooperation, integration, and political alliances, investments and commercial relations. The group also publishes news and reports and organises debates.

Another group, supported by Oxfam International and the Centre of Reference on Food and Nutrition Security at Rio's Federal Rural University (CERESAN), looks at Brazil's development cooperation from a food security and nutrition perspective, while seeking opportunities to increase knowledge and accountability.

The BRICS Policy Centre, a research institution affiliated to the Catholic University of Rio de Janeiro, provides space for qualified multi-stakeholder discussion on Brazilian development cooperation. Its researchers engage actively with policy discussions and provide knowledge on the topic. Other spaces are linked to existing networks (e.g. REBRIP – Brazilian Network for the Integration of People) or are issue-based areas (e.g. BNDES).

One of the key challenges for most of the interviewees is to identify interlocutors in public institutions. Although positive discussions occur with some representatives, accessing information and influencing policy-making is a challenge. There is a need of more participation of relevant stakeholders, such as the private sector, parliamentarians and a wider representation of the public administration.

6. What does this mean for Brazil's future development cooperation?

Brazil has the potential to lead a Southern agenda for the future of development cooperation. It has pursued its agenda through development cooperation but also, importantly, through a diplomatic effort to put poverty eradication and sustainable development at the top of the post-2015 agenda.

Brazil has been able to inspire change and share its experiences with other developing countries, either alone or through partnering with international organisations and donors. It has become an international leader in both the fight against poverty and hunger and the promotion of sustainable development. Demands for cooperation partnerships from developing countries increased alongside requests from OECD Development Assistance Committee (DAC) and multilateral donors seeking to establish triangular agreements with Brazil and a beneficiary developing country.

Brazil needs to build a constituency on development cooperation issues

However, to play the most effective role, Brazil needs an overarching strategy for its development cooperation. This means addressing some fundamental questions on the characteristics and extent of, and national commitment to, this agenda and its relationships with other key priorities for the country.

The main challenges ahead lie in institutional arrangements, legal provisions, and improving the quality of the national debate in this area. The establishment of a 'council of foreign relations' may help to broaden this debate and make it more inclusive. But it may well not be enough. The establishment of a constituency active on development cooperation issues that is able to represent different stakeholders is of paramount importance.

Brazil is still dealing with significant domestic economic and social challenges. Among stakeholders engaging with development debates in Brazil, open questions remain: how much should the country commit to development cooperation and how beneficial is this engagement? What is the impact on funding for domestic issues? How does it benefit Brazilian enterprises through internationalisation or trade? And to what extent do ordinary citizens benefit from this engagement? Greater participation and accountability are necessary to build and sustain support so that Brazil can make the most of the opportunity opened by a more multi-polar system and the negotiation of the post-2015 development framework.

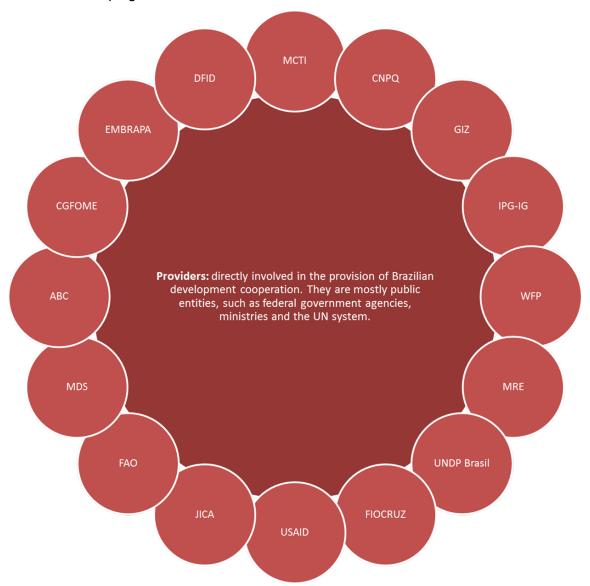
There is now a unique conjunction of international and national attention to the global outreach of Brazil. This is a valuable moment to raise the international profile of Brazil and make significant contributions to a world without poverty in our generation. The agenda that national actors wish to pursue is broad and deep, and requires political commitment, resources and clear priorities.

Annex I

An experimental categorisation of stakeholders

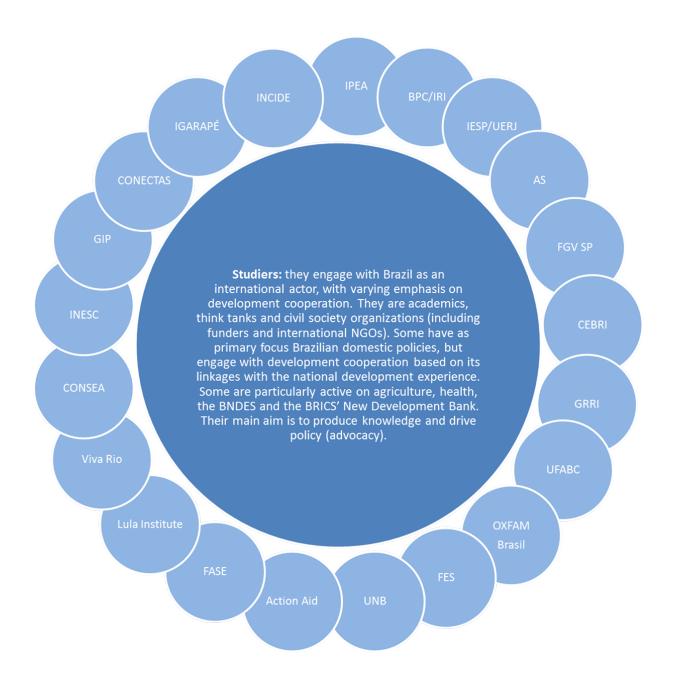
This section gives an overview on Brazil-based players engaging with this country's development cooperation, most of whom were interviewed for this paper. It offers a categorisation based on empirical analysis. While our list is not exhaustive, it provides an overview of the most important players in government, civil society and university. The categorisation offers a read of how different stakeholders are involved with the topic. This is regarding the specific field of Brazilian development cooperation – some of the organisations below could be categorised differently in relation to other topics.

Beyond these, there are other actors that presumably shape Brazilian development cooperation, among them are the Brazilian National Economic and Social Development Bank (BNDES), some Brazilian companies, the Brazil, Russia, India, China and South Africa (BRICS) alliance and developing countries themselves.



Note: MCTI is the Innovation, Technology and Science Ministry, CNPQ is the National Center for Scientific and Technological Development, IPG-IG is the International Policy Centre for Inclusive Growth, WFP is the World Food Programme, MRE is the Foreign Affairs Ministry, FIOCRUZ is the Oswaldo Cruz Foundation, JICA is the Japanese International Cooperation Agency, FAO is the Food and Agriculture Organization of the United Nations, ABC is the Brazilian Cooperation Agency, CGFOME is the General Coordination for International Actions Against Hunger, Embrapa is the Brazilian Corporation of Agricultural Research, DFID is the Department for International

Development/UK, MDS is the Social Development Ministry, USAID is the United States Agency for International Cooperation, GIZ is the Deutsche Gesellschaft für Inaternationale, UNDP Brasil is the United Nations Development Programme – Brazil.



Note: IPEA is the Institute for Applied and Economic Research, BPC/IRI is the BRICS Policy Center, IESP/UERJ is the Institute of Social and Political Studies, AS is the South Articulation, FGV is the Getulio Vargas Foundation, CEBRI is the Brazilian Centre of International Relations, GRRI is the Reflexion Group on International Relations, UFABC is the Federal University of Brazilian Cooperation Agency, FES is the Friedrich Ebert Stiftung, CONSEA is the National Council on Food Security and Nutrition, INESC is the Socioeconomic Studies Institute, GIP is the Public Interest Management, Research and Consultancy, FASE is the Federation of Agencies for Social and Educational Assistance, IBASE is the Brazilian Institute of Social and Economic Analysis, IGARAPÉ is the Igarapé Institute, ABONG is the Brazilian Association of Non-Governmental Organizations, WRI is the World Resources Institute, UNB is the University of Brasília, INCIDE is the Institute of International Cooperation.

Note: Some of these organisations are leading discussions with the government to establish the foreign affairs council (see Key debates section).

Note: Some organisations of this group have presented comparative analysis of institutional frameworks that can inform discussions on the design of the Brazilian development cooperation system. ⁴⁰

Annex II – List of organisations that participated in the interviews

- 1. RIO+ World Centre for Sustainable Development
- 2. ABONG Brazilian Association of Non-Governmental Organizations
- 3. WRI World Resources Institute
- 4. IBASE Brazilian Institute of Social and Economic Analysis
- 5. ABC Brazilian Cooperation Agency
- 6. CGFOME General Coordination for International Actions Against Hunger
- 7. INESC Socioeconomic Studies Institute
- 8. CONECTAS Conectas Human Rights
- 9. FGV Getulio Vargas Foundation
- 10. AS Articulation South
- 11. IESP/UERJ Institute of Social and Political Studies
- 12. BPC BRICS Policy Center
- 13. CEBRI Brazilian Centre of International Relations
- 14. FASE Federation of Agencies for Social and Educational Assistance
- 15. OXFAM Brasil
- 16. IPEA Institute for Applied and Economic Research
- 17. IPC-IG International Policy Centre for Inclusive Growth
- 18. DFID Department for International Development/UK
- 19. MCTI Innovation, Technology and Science Ministry
- 20. MDS Social Development Ministry

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⁴⁰ Milani, C. et al (2013), Políticas de Cooperação Internacional para o Desenvolvimento no Norte e no Sul: que lições e desafíos para o Brasil?