BRAZIL: a key partner for the OECD

With a Gross Domestic Product of USD 3.147 trillion, and a population of 208 million, Brazil is the seventh largest economy in the world. It is the third largest non-OECD Member and over the past two decades has been the OECD’s most engaged Key Partner and a source of valuable policy experience. Brazil’s participation in OECD activities has enriched our work and helped us find solutions to global challenges. The OECD-Brazil Joint Work Programme 2016-17 adopted a whole-of-government approach, thus transforming our already close co-operation into a true partnership.

Brazil’s application for OECD membership is a signal that it is ready to further consolidate its reform agenda. The accession process is profoundly transformational and is meant to bring accession candidates closer to OECD principles and good practices. It also provides an opportunity for the candidate country and OECD Members to engage effectively on a wide array of policy issues. In fact, Brazil’s role in the OECD family is constantly increasing; it participates in more OECD bodies, projects and programmes and has adhered to more OECD instruments than any other Partner country.

This is a crucial moment for Brazil’s future. A severe economic downturn is being left behind and Brazil’s bold reform efforts to consolidate the government’s fiscal balance and foster macroeconomic stability – including the indispensable pension reform – are paving the way for more sustainable growth.

Going forward, Brazil needs to continue to address the high degree of inequality that affects both well-being and economic growth. It should also raise investment levels by improving the business climate and access to finance, promote gender inclusion and opportunities for women, as well as increase its participation in global value chains to reap and distribute more widely the benefits of globalisation. The OECD stands ready to support Brazil in these endeavours.

This brochure provides a snapshot of the extensive, growing and mutually beneficial OECD-Brazil co-operation. We look forward to a further deepening of our mutual engagement to continue to design, develop and deliver better policies for better lives in Brazil.

ANGEL GURRÍA, OECD Secretary-General
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THE OECD AND BRAZIL
HOW WE WORK TOGETHER
Brazil, the first Key Partner to request membership in the Organisation

The co-operation between Brazil and the OECD dates back from the early 1990s, when the Organisation launched its engagement with four Latin American countries (also including Argentina, Chile and Mexico). Brazil joined its first OECD Committee, the Steel Committee, in 1996 and became a member of the OECD Development Centre in 1997. Since then, co-operation has steadily grown, and today Brazil is the Organisation’s most engaged Key Partner.

Consolidating this growing and mutually beneficial co-operation, Brazil presented its application for OECD membership at the Ministerial Council Meeting (MCM) of May 2017.

With a Gross Domestic Product of USD 3.147 trillion, and a population of 208 million, Brazil is the seventh largest economy in the world. Its formal expression of interest in joining the OECD is therefore of the greatest strategic importance, and even more so because it is the first to have come from a Key Partner.

“The Brazilian Government has applied to the OECD – an Organisation of which we are a Key Partner and whose set of standards is already broadly compatible with Brazilian legislation.”

Michel Temer, President of Brazil

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1996
During President Cardoso’s government, Brazil joins its first OECD committee (Steel committee).

1999
Minister of Foreign Affairs, Luis Felipe Lampreia, at the OECD.

2000
Brazil joins the Anti-Bribery Convention and Recommendation of the Council against Hard Core Cartels.

2007
Brazil is invited to an “enhanced engagement” with the OECD, subsequently referred to as Key Partnership.

2008
Minister of Foreign Affairs Celso Amorim visits the OECD headquarters.

2009
Minister Mantega launches Economic Survey with Secretary General Gurria in Brasilia.
2013
Under Minister Aloisio Mercadante, Brazil becomes Vice-Chair of PISA.

2014
OECD launches the Better Life index in Portuguese in São Paulo with football legend Pelé.

2015 (June)
Brazil signs Co-operation Agreement and Programme of Work.

2015 (November)
President Dilma Rousseff meets with Secretary General Gurria on the occasion of the launch of the Economic Survey.

2016 (June)
Minister José Serra meets with Secretary-General during the Ministerial Council Meeting (MCM) 2016.

2017 (June)
MCM Brazil presents its application to OECD membership.

Michel Temer, President of Brazil, and Angel Gurría, Secretary-General of the OECD, during the World Economic Forum 2018, in Davos, Switzerland.
In 2015 a Co-operation Agreement was signed, strengthening Brazil’s political engagement with the OECD. The Agreement led to a joint biennial work programme around shared priorities: the OECD-Brazil Joint Work Programme 2016-17, designed to support Brazil in advancing its reform agenda and informing its public policies. Some of its key outcomes are highlighted throughout this brochure.

The launch of the Programme also reignited an Inter-Ministerial Working Group on the OECD led by the Ministry of Foreign Affairs, which had been created initially in 2007, as a mechanism of steering and monitoring co-operation with the Organisation. This group holds periodical inter-ministerial meetings and consultations with representatives of over 30 ministries, agencies and governmental bodies.

The Programme has helped structure and guide the Organisation’s work with Brazil, facilitating information flows and the mobilisation of resources. A detailed assessment of the Programme implementation was undertaken by the Secretariat and Brazil’s Ministry of Foreign Affairs, during the visit of the Undersecretary General for Economic and Financial Affairs and G20 Sherpa, Ambassador Carlos Cozendey, on 27-28 March 2017, confirming the successful implementation of the Programme.
Joint Work Programme 2016-17: Key results

In many areas, the Joint Work Programme 2016-17 allowed for further anchoring and deepening of the co-operation:

- **Education**: As Vice-Chair of the OECD Programme for International Student Assessment (PISA), Brazil hosted the 42nd meeting of the PISA Governing Board in Brasília in October 2016. In August 2016, Brazil accepted the invitation to participate in the next cycle of the Teaching and Learning International Survey (TALIS) and to become a Participant in its Governing Board. Going forward, the OECD is currently undertaking a Quality Assurance of Brazil’s Higher Education System review (see page 42).

- **Internal auditing**: The strong OECD co-operation with Brazilian Supreme Audit Institution (Tribunal de Contas da União – TCU) resulted in two important publications: *Supreme Audit Institutions and Good Governance: Oversight, Insight and Foresight* (September 2016) and *Brazil’s Federal Court of Accounts: Insight and Foresight for Better Governance* (August 2017). A new 3-year project was signed in December 2017 to deepen the co-operation even further (see page 35).

- **Science and Technology**: Building on the intense co-operation in the field, Brazil joined the informal SPDE/MADE Expert Group on Improving the Evidence Base for Digital Security and Privacy Risk Policy-Making and actively participates in it (see page 48).

The Programme has allowed Brazil to better understand specific OECD projects in crucial areas:

- **Trade**: The report *The Role of Services for Economic Performance in Brazil* (October 2016) analyses the importance of services in the Brazilian economy and underlines the importance of streamlining sector-level regulatory frameworks to encourage foreign entry and competition. The report *Trade Facilitation in Brazil: Analysis and Policy Options* (forthcoming 2018) presents the state of play on trade facilitation in Brazil, based on the results of a survey among a wide range of government and private sector stakeholders involved in the Brazilian foreign trade process (see page 24).

- **Taxation**: Reflecting Brazil’s active involvement on the Base Erosion and Profit Shifting (BEPS) project, the country held a four-day Seminar on Transfer Pricing in Brasilia in June 2017, with the participation of high-level officials from the Receita Federal and the OECD (see page 34).

The Programme also served expanded collaboration to new areas:

- **Tourism**: Brazil is now fully integrated in the OECD Tourism Trends and Policies 2016 report, which includes a specific country note on Brazil.

- **SMEs**: Brazil is also fully integrated in the Financing SMEs and Entrepreneurs 2017 report, which includes a specific country note on Brazil.

- **Pension reform**: In support to the government’s reform priorities, the OECD produced a Policy Memo on Brazil’s Pension Reform analysing the country’s present pension system and the government’s reform proposal currently under discussion in the Congress (see page 40).

The Programme built on the OECD co-operation with Brazil in the framework of the G20, creating synergies in particular in the areas of corporate governance, anti-corruption and taxation (see page 10).
Today, Brazil is more engaged in co-operation with the OECD than any other Key Partner or than any other country to have presented its candidature for accession. Brazil is an “Associate” (or “member”), i.e. participating on an equal footing with OECD Members, in nine OECD Bodies and Programmes, and two Projects including that on BEPS, holding a Vice-Chairmanship in the Governing Board of the Programme for International Student Assessment (PISA). In addition, Brazil is also a “Participant” in another 15 OECD Bodies (see Annexes).

Additionally, Brazil has adhered to 38 OECD legal instruments, which are standards, best practices and policy guidelines developed by the Organisation’s committees. Reflecting the increasing engagement with the Organisation, Brazil’s recently requested adherence to additional 76 instruments, including to the Codes of Liberalisation of Capital Movements and Current Invisible Operations.

“Itamaraty’s view is that Brazil’s participation in the OECD is a matter of realism. It is important that Brazil be involved in the debate on seminal issues that influence international negotiations and internal debates on the management of public policies (...) President Michel Temer’s decision to request Brazil’s accession to the OECD was a natural consequence of our country’s continued presence in the Organisation. And it should accelerate our participation, considering that practically all the topics that will shape the international agenda and the internal debates in Brazil in the next years will be discussed in the OECD. The accession of Brazil, in this context, will give greater coherence and consistency to Brazil’s participation, while allowing us to have a better influence on these debates.”

Aloysio Nunes Ferreira, Minister of Foreign Affairs of Brazil
The OECD has been an active partner of Brazil, in the context of the G20, to strengthen the global economy, accelerate recovery from the crisis and promote a more inclusive, rules-based and open economy.

The OECD has supported the work of the G20 on a wide range of issues, reflecting the diversity of the OECD’s expertise in public policy. The work is divided into different areas: agriculture, anti-corruption, development, employment and social policy, energy, environment, inclusive growth, structural reform or trade and investment.

Brazil is an active participant in the G20/OECD tax agenda, including through the 100+ member Inclusive Framework on Base Erosion and Profit Shifting (BEPS). In addition to a commitment to implement the agreed package of measures to address BEPS, the country also continues to guide the direction of this work as part of the Steering Group. Brazil has also joined G20-led efforts to tackle tax evasion through greater transparency, as a member of the OECD-hosted Global Forum on Transparency and Exchange of Information for Tax Purposes, including as part of the Forum’s Steering Group and Peer Review Group. Brazil has committed to both the exchange of information on request and automatic exchange of information standards monitored by the Global Forum.

The OECD has also been a longstanding partner of Brazil in the context of G20 initiatives on food security, food price volatility and productivity in agriculture. While chronic food insecurity remains one of the main challenges to sustainable development in many growing economies, in less than three decades Brazil has changed from a net importer of food to a net exporter, due to increased production and productivity. Under the Argentinean G20 Presidency, the OECD stands ready to continue its contribution to the G20 discussion on agriculture and food security.
Brazil has engaged in a number of other G20 initiatives where the OECD is playing a leading or facilitating role. For instance, Brazil is an active member of the G20 Global Forum on Steel Excess Capacity, created by G20 Leaders at the Hangzhou Summit in 2016 and facilitated by the OECD, the objective of which is to address the causes of excess capacity in the global steel market through multilateral co-operation. Engagement under the G20 has also led to Brazil’s request to adhere to the OECD Code of Liberalisation of Capital Movements and the country’s active engagement in the ongoing review of the Code. Brazil is also co-chairing the G20 Infrastructure Working Group, re-established this year by the Argentinean Presidency, a group which the OECD is actively supporting through its work on developing infrastructure investment as an asset class.

Finally, as a State Party since 2000 to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention), Brazil has played an important role in contributing to progress made by the G20 Anti-Corruption Working Group (ACWG) in key areas, including encouraging adherence to and implementation of the OECD Anti-Bribery Convention. In 2017, the OECD supported Brazil’s co-chairmanship of the G20 ACWG which delivered strong results to G20 Leaders at the Hamburg Summit, including a Brazil-led initiative to strengthen international co-operation in civil and administrative proceedings relating to corruption in G20 countries.

[www.oecd.org/g20](http://www.oecd.org/g20)

“Our co-operation with Brazil within the framework of the G20 has been very productive, with the shared goal of promoting innovative and pragmatic multilateral solutions to global challenges. Over the last years, Brazil has been a crucial partner in important OECD-led projects such as the fights against tax avoidance (BEPS) and tax evasion. During the German Presidency of the G20, the OECD and Brazil also worked closely together by establishing, as per G20 Leaders’ request in Hangzhou, the Global Forum (GFSEC) - which is tackling the critical issue of global steel excess capacity. We are also actively co-operating with the Brazilian authorities on anti-corruption and infrastructure. We are looking forward to broadening the collaboration with Brazil, with a view to enhancing the role of the G20 as the premier forum for international economic co-operation.”

Gabriela Ramos, OECD Chief of Staff and Sherpa to the G20
Launched at the OECD’s 2016 Ministerial Council Meeting, the OECD Latin America and the Caribbean Regional Programme (LACRP) aims to support LAC countries in advancing their reform agendas along three key regional priorities – increasing productivity, advancing social inclusion, and strengthening institutions and governance, responding to the region’s growing awareness of the need for better policies and structural reforms to ensure higher rates of growth and sustain economic and social development.

Brazil has been an active participant of the LACRP as a member of its Steering Group, which is made up of both OECD Members and a number of Latin American partners, and provides strategic guidance to Programme activities. Brazil also participates in a number of LACRP activities, such as regional policy networks on the subjects of competition, corporate governance, state-owned enterprises, fiscal affairs, regulation, investment, open government, and budgeting.
The LACRP supports policy reform in several policy areas with both OECD and LAC countries, and in partnership with other international organisations active in the region. LACRP activities bring and adapt the OECD working methods of production of comparable statistics, policy dialogue, policy assessment, and policy advice to the region, facilitating the broader participation of LAC countries in OECD work and their access to OECD expertise.

Brazil takes part in the regional flagship publications, including the *Latin American Economic Outlook (LEO)*, the *LAC Revenue Statistics Series* and *Government at a Glance: LAC*.

As part of LACRP, the OECD and the Brazilian Securities Commission (CVM) established the OECD/CVM Centre on Financial Education and Literacy in Latin America and the Caribbean (see page 28).

In February 2018, Brazil hosted the regional Ministerial Conference in Brazil organised by the OECD, MEC and SEGIB, in São Paulo, Brazil, which featured the launch of the *Skills in Ibero-America* report (see page 38).

[www.oecd.org/latin-america/regionalprogramme](http://www.oecd.org/latin-america/regionalprogramme)

Left to right, Mansueto Almeida, Vice Minister of Finance for Economic Monitoring, Leonardo Pereira, former-President of CVM, André Laboul, Senior Counsellor for Financial Affairs of the OECD, and Andreas Schaal, Director for Global Relations of the OECD, during the launch of the OECD/CVM Centre on Financial Education and Literacy in Latin America and the Caribbean. Rio de Janeiro. December 2016.
“Brazil has had an intensive participation in OECD activities for more than two decades, but the request for accession to the Organization has catalysed a renewed interest on the part of all the administration and of the society as a whole. My mission is to translate this into action.”

Carlos Márcio Cozendey, Delegate of Brazil to International Economic Organisations based in Paris

“The OECD has been collaborating with Brazil for more than 20 years. I am very pleased that in the past few years we have seen a constant increase in the number of committees where Brazil is actively participating, number of instruments Brazil is adhering to and most importantly a greater political interest on behalf of the Brazilian Government to engage with the OECD. When the Brazilian Government then took the step to ask for membership of the OECD, this was indeed a historic moment. For the first time, one of the OECD’s Key Partners had decided it was time to become a full-fledged Member of the Organisation. I warmly welcome this application and hope we can start the accession process without delay. Sweden and Brazil has a strategic partnership. Working with Brazil in the OECD will continue to promote this strong partnership. It will be beneficial for Brazil, for Sweden and for all the other Member Countries and the OECD as a whole.”

Annika Markovic, Ambassador of Sweden to the OECD, Leader of the Informal Reflection Group on Brazil

“BRIC countries are expected to provide up to half of the global growth from 2015 to 2020. Therefore, close co-operation of the OECD with these emerging economies is essential if the Organisation wants to remain relevant as a global standard-setter in the current economic governance system. In this vein, its relationship with Key Partners such as Brazil is not only mutually beneficial but also strategic to strengthen the engagement of the Organisation with other important economic areas. Enhanced co-operation with Brazil will thus help to disseminate OECD’s standards and policy recommendations around the globe, which ultimately will support the global community in addressing today’s economic and social challenges. The OECD must, therefore, continue to build bridges with each and every country that is willing to make tremendous efforts to come closer to the OECD’s ‘acquis’. By showing its commitment and resolve, there is no doubt, Brazil is one of them.”

Ulrich Lehner, Ambassador of Switzerland to the OECD, Chair of the External Relations Committee

“The OECD has been an intensive participant in OECD activities for more than two decades, but the request for accession to the Organization has catalysed a renewed interest on the part of all the administration and of the society as a whole. My mission is to translate this into action.”

Andreas Schaal, Director of OECD Global Relations and OECD G20 Sous-Sherpa
SUSTAINABLE, BALANCED AND INCLUSIVE GROWTH
Brazil is emerging from the worst economic crisis in its recent history. The government is turning the economy around by implementing an ambitious set of reforms to enhance the business environment and promote productivity and investment. The OECD contributes to these efforts by providing thorough analysis of Brazil’s macroeconomic and structural policies to guide developing and implementing the reforms.

The 2018 Economic Survey of Brazil analyses policy options to improve well-being and inclusive growth. It highlights the importance of stronger investment and a stronger integration into the global economy to raise productivity and provide better income opportunities for all Brazilians. Growth has become more inclusive thanks to better education and a strong system of social benefits, and the survey proposes ways to raise the effectiveness of social transfers to build on this progress while preserving fiscal sustainability. Finally, the survey explores policy options to improve economic governance and fight corruption.

Twice a year, the OECD Economic Outlook analyses the major trends and forces that shape the short-term economic prospects of OECD Members and selected non-Members, including Brazil. The latest version, published in November 2017, discusses the growth outlook, the need to strengthen public finances and structural reforms to lift growth and make it more inclusive.

Going for Growth is the OECD’s flagship report highlighting the main growth challenges and developments in structural policy reforms. Based on a broad set of internationally comparable indicators of structural policies and performance, Going for Growth identifies five priorities for each country with the aim to improve labour productivity. It also examines the potential effects of the reforms on policy objectives other than GDP growth, in particular relating to objectives for green growth, reducing inequality, public finance and macroeconomic imbalances.

The 2017 edition recommends that Brazil:

- **Increase the effectiveness of social benefits.** Redirect spending on social benefits towards conditional cash transfers to the poor, which is the most efficient instrument for reducing income inequality;

- **Enhance outcomes and equity in education.** Improving education outcomes and equality of educational opportunities would accelerate productivity;

- **Reduce distortions in the tax system.** Less onerous and distortive indirect taxes would contribute to faster productivity gains by reducing tax compliance costs and raise productivity;

- **Reduce barriers to trade.** Barriers to trade and investment are stringent, which hampers catch-up in productivity;

- **Increase public and private investment in infrastructure.** Addressing infrastructure gaps would lead to higher productivity growth and improve export competitiveness.

www.oecd.org/eco/growth/Brazil.pdf
www.latameconomy.org/en
"The OECD recommendations are in line with what we are doing in Brazil. Joining the OECD is part of an agenda of openness, modernisation of the economy, adoption of modern standards of administration and economic normalisation."


Source: OECD estimates based on OECD Economic Outlook Database
As one of the world’s major exporters of primary products, Brazil relies on its agriculture to build a resilient and dynamic economy. The agriculture and the agro-processing sectors in Brazil have shown impressive growth over the past two decades. This has been driven by productivity improvements and structural adjustment, as well as new technologies. Government policy and industry initiatives are increasingly focused on sustainability of agricultural development.

Co-operation between the OECD and Brazil on agriculture-related issues has deepened over the past decades. Brazil integrates a range of collaborative analytical activities, including:

- **The OECD-FAO Agricultural Outlook**: an annual publication which details projections on the medium-term outlook of important commodities in major world economies. The *2015 edition* featured an in-depth analysis of the outlook for Brazilian agriculture.

- **Agricultural Policy Monitoring and Evaluation**: an annual OECD monitoring and evaluation exercise that measures government support to agriculture, which now includes 50 major agriculture-producing countries.

- **Innovation, Agricultural Productivity and Sustainability in Brazil**: part of the *OECD Food and Agricultural Reviews* series.

### Brazil’s agro-food trade, 1995-2012

![Graph showing Brazil's agro-food trade, 1995-2012](http://bit.ly/2EqWp7d)

**Source:** International Trade by Commodity Statistics (ITCS) database, http://bit.ly/2EqWp7d
The report provides a comprehensive examination of Brazil’s policy conditions surrounding business and allowing innovation in the agriculture and food sectors for increased productivity and environmental sustainability.

As part of the Brazil-OECD Programme of Work 2016-17, Brazil has strengthened its participation in the OECD Agricultural Codes and Schemes, the main global reference for the certification and standardisation of seeds, agricultural and forestry tractors, forest reproductive material, and fruit and vegetables, facilitating international trade through the simplification and harmonisation of documentary, inspection and testing procedures.

“The OECD-FAO Agricultural Outlook 2017-2026 foresees that the average calorie availability per person per day will increase in least developed countries and in most emerging economies. But we also know that more food alone is not enough to eliminate undernourishment and other forms of malnutrition. Fighting malnutrition requires a diversified, safe and nutritious diet, ideally produced with a lower environmental footprint.”


www.oecd.org/tad/agricultural-policies
www.oecd.org/tad/code
Governments around the world are striving to re-ignite growth in their economies while reducing widening inequalities. But returning to the previous type of growth is not an alternative. There is now a unique window of opportunity to bring the climate and economic growth agendas together, fostering economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies.

The OECD’s Green Growth Strategy offers an opportunity to re-think the current economic model and equip countries, including Brazil, to tap into greener and more sustainable development. It has set out a comprehensive guide to encouraging green growth and measuring progress towards it.

The Green Growth Indicators 2017, prepared in co-operation with OECD Member and Partner countries including Brazil, places great emphasis on productivity gains and on the role of policy action, with enriched analysis on environmentally related taxes and subsidies, and international financial flows. The report raises awareness, measures progress and identifies opportunities and risks, supporting governments in their design of policies to promote green growth.

The Green Growth and Sustainable Development Forum (GGSD Forum) is an OECD initiative aimed at providing a dedicated space for multi-disciplinary dialogue on green growth and sustainable development. The last meeting was held in November 2017 in Paris and focused on investment, innovation and employment aspects of the fast-growing ocean-based industries, together with policies to preserve and sustainably use marine and ocean resources and ecosystems.

Launched in 2015, the Environmental Performance Review of Brazil identifies key environmental trends and analyses the policies and institutional setting for green growth (for more details, see section on Environment and Energy).
Brazil is one of the world’s ten largest economies, yet the role it plays on international markets is far from commensurate with its economic size. Making better use of its existing competitive strengths would provide significant opportunities for growth and productivity. It will also require accelerating Brazil’s integration into the world.

International production, trade and investment are increasingly organised within global value chains (GVCs) in which the different stages of production process are located across different countries. The OECD has a long history of studying value chains dynamics. The OECD-WTO Trade in Value Added (TiVA) database was developed to measure trade in value added terms to generate new insights about the commercial relations among economies and the process of value creation.

As part of the Brazil-OECD Programme of Work 2016-17, Brazil contributes to the TiVA database with statistical data from the South-American input-output matrix, which is being established by the Institute of Applied Economic Research (IPEA) in collaboration with the United Nations Economic Commission for Latin America and the Caribbean (ECLAC). The initiative seeks to increase mutual understanding, improve Brazilian trade policy and promote its integration in the Global Value Chains.

Recent OECD analysis, focused on examining how the changing structure of global production networks impacts productivity, provides useful insights to Brazilian policy makers as they work to foster productivity growth and Brazil’s participation in GVCs. In particular, the analysis of central hubs for production around the world highlighted that although Brazil was the most central Latin American country within global production networks in 2011, it is only around the median country globally. Furthermore, while Brazil is highly central in primary sectors, such as mining and quarrying, in many services and manufacturing industries Brazil is relatively peripheral.

“For Brazil to grow at higher rates, it needs to be more integrated to international trade and investment flows. Our co-operation with the OECD on those issues is crucial for Brazil to firmly advance in this direction.”

Marcello Estevão, Vice-Minister of Finance
Finally Brazil is better connected to other regions and so more central to them than it is to its Latin American neighbours. Intensifying regional production networks could therefore help Brazil foster exports and spur productivity gains.

Chapter 2 of the 2018 Economic Survey of Brazil analyses policy options for fostering a stronger integration into the global economy and into global value chains. The chapter analyses how Brazil can seize newly arising export opportunities, create new jobs, harness the benefits of stronger competition and better access to inputs, while protecting workers during the transition.

Brazil also participates in the OECD Development Centre’s Initiative on Global Value Chains, Production Transformation and Development promotes knowledge sharing among participating countries on how to promote development by facilitating participation in GVCs. It provides a global platform for knowledge sharing where governments and businesses from Africa, Asia, Latin America and the OECD meet to anticipate future changes and design better policies.

[Links to OECD reports and initiatives]

oe.cd/gvc
oe.cd/tiva
www.oecd.org/dev/global-value-chains.htm
EFFICIENT FUNCTIONING OF MARKETS
Promoting trade

Brazil’s performance in ensuring transparency, predictability and due process in trade facilitation surpasses most other Latin American, Caribbean and upper middle income countries. Nonetheless, despite recent improvements, the country is ranked only 22nd in terms of exports, accounting for just 1.2% of the total volume of world exports. Brazil has potential to increase its trade flows significantly, but will require further efforts to facilitate and promote trade.

The OECD and Brazil have collaborated for many years on a range of trade-related issues, including global value chains, trade facilitation, trade in services, and the development of the statistical data necessary to support analyses on these topics. Recent discussions in the OECD have addressed the current backlash to trade and globalisation to make sure that trade works better for all. To that end, Brazil participated in a Trade Communications Conference in April 2017, where senior policymakers discussed the underlying policy issues and how they can be reflected in a more inclusive trade narrative.

Services are the main contributors to Brazil’s GDP and job creation, but are primarily oriented towards serving domestic demand and underperform in export markets.

In 2016, as part of the Brazil-OECD Programme of Work 2016-17, the OECD published a report on *The Role of Services for Economic Performance in Brazil*, analysing the importance of services in the Brazilian economy and underlining the importance of streamlining sector-level regulatory frameworks to encourage foreign entry and competition. This report was accompanied by a meeting in Brasilia with a range of Brazilian regulators from the various sectors to discuss possible regulatory reforms to improve the general business and trading environment as well as specific policies for the transport, telecoms and financial services sectors.

**OECD Trade Facilitation Indicators 2017: Brazil’s overall performance**

![Graph showing OECD Trade Facilitation Indicators 2017: Brazil’s overall performance](image)
As part of the Brazil-OECD Programme of Work 2016-17, the report *Trade Facilitation in Brazil: Analysis and Policy Options*, released in 2018, presents the state of play on trade facilitation in Brazil, based on the results of a survey among a wide range of government and private sector stakeholders involved in the Brazilian foreign trade process. It draws attention to sectoral and regional performance differences and challenges in Brazil. This in-depth assessment provides a roadmap for short-, medium- and long-term reforms to reduce trade costs and spur competitiveness. These reforms will ultimately boost trade, promote further integration into global and regional value chains, and increase aggregate welfare.

www.oecd.org/trade/facilitation/indicators.htm
www.oecd.org/tad/services-trade/services-trade-restrictiveness-index.htm
Brazil is the largest recipient of FDI in Latin America and the fifth largest recipient worldwide. Nonetheless, Brazil’s investment has traditionally been low, both in an emerging market context and compared to other countries in the region. Strong investment needs exist throughout the economy. Greater private sector and foreign investment will be decisive for Brazil’s economic recovery.

Brazil has been an adherent to the OECD Declaration on International Investment and Multinational Enterprises since 1997, a policy commitment by adhering governments to provide an open and transparent environment for international investment and encourage the positive contribution multinational enterprises can make to economic and social progress.

As an element of the Declaration, the OECD Guidelines for Multinational Enterprises are the most comprehensive set of government-backed recommendation on responsible business conduct in existence today. The governments adhering to the Guidelines aim to encourage and maximise the positive impact multinational enterprises can make to sustainable development and enduring social progress.

Most recently, in June 2017, as part of the Brazil-OECD Programme of Work 2016-17, Brazil applied for adherence to the OECD Codes of Liberalisation of Capital Movements and of Current Invisible Operations, a testimony to its strong willingness to implement reforms. By adhering to the OECD Codes of Liberalisation and committing to transparency and accountability in its policies on capital movements, Brazil will improve its reputation as a responsible global player while enjoying enhanced access to OECD markets and protection against possible discriminatory treatment by other adherents.

Brazil also participates in the OECD’s work on investment promotion agencies, which allows the government to compare and evaluate its agency, APEX Brasil, with other agencies in the LAC region and the OECD. It provides a dialogue platform allowing participants to benefit from international best practices to improve the efficiency of its investment attraction efforts. It supports Brazil’s decisions on the structure and future activities of its investment promotion agency during a period in which Brazil works to restore investors’ confidence and attract further investment.

[www.oecd.org/investment](http://www.oecd.org/investment)

“The Central Bank wants to take the opportunity of the accession process to the OECD to reform and adapt Brazilian legislation to international standards, creating a simpler and easier business environment for Brazilian and foreign investors. The OECD is a great model to align to international standards.”

Tiago Berriel, Director of International Affairs of the Central Bank of Brazil
Brazil’s current Competition Law entered into force in May 2012, marking the start of a new era of competition enforcement. Over the past five years, Brazil has continued to innovate and improve its procedures to detect, investigate and prosecute anticompetitive conduct and work with policymakers to reform competition regulations.

Brazil has been strongly engaged with the OECD’s work on competition. The recommendations of the 2005 and 2010 OECD peer reviews are reflected in Brazil’s current law, notably regarding merger control, fines and sanctioning.

The OECD plays a unique role in the field of competition, owing to its internationally recognised standards and guidelines, long-standing technical expertise, and competition roundtables which help advance dialogue on key and emerging issues. The OECD’s convening power, whether through its Competition Committee, Global Forum on Competition or the OECD-IDB Latin American and Caribbean Competition Forum (LACCF) promotes peer to peer learning, international co-operation between competition authorities, and facilitates the dissemination of OECD standards and best practices. As one of the leading competition authorities in Latin America, Brazil contributes substantially to the OECD’s competition knowledge and the development and revision of standards and guidelines.

As part of the Brazil-OECD Programme of Work 2016-17, recent workshops in Brazil on fighting bid-rigging in public procurement have helped draw attention to this particularly damaging form of anti-competitive practice which costs governments and taxpayers billions of dollars every year. Brazil also takes a very active role in LACCF, sharing its expertise and experiences with peers across the region. In 2017, Brazil adhered to three OECD legal instruments on competition matters.

Looking forward, Brazil and the OECD are envisioning strengthening collaboration through: 1) promoting effective competition in public tenders by reducing collusion; 2) competition assessment which involves analysing specific sectors for anti-competitive regulation; and 3) ex-post impact and efficiency evaluations of the decisions of the competition authority.

www.oecd.org/competition
www.oecd.org/competition/latinamerica
www.oecd.org/daf/competition/brazil-competition.htm

“OECD beliefs are entrenched in CADE’s history. The new Brazilian Competition Law enacted in 2012 was largely inspired by the recommendations, studies and peer reviews of the Organisation, resulting in manifold benefits to the Brazilian Competition Defence System. In the last years, CADE’s steadfast and proactive co-operation with the OECD has allowed the authority to advance its positions in matters linked to competition defence on the international scene, exchanging knowledge with other countries and learning from the Organisation’s expertise.”

Alexandre Barreto, President of the Administrative Council for Economic Defence (CADE)
Financial education has become an important complement to market conduct and prudential regulation in improving individual financial behaviours. The Brazilian government has been engaged in informing the rising middle class about how to save and invest wisely while helping the poorest households understand and use basic financial services.

In 2010, with support from the OECD, Brazil adopted the National Strategy for Financial Education (Estratégia Nacional de Educação Financeira – ENEF), which aims to promote financial education and social security; increase the capacity of citizens to make conscious choices about the administration of resources; and contribute to the efficiency and soundness of financial markets. The strategy is supported by data collected through OECD instruments.

Brazil uses data collection methodologies developed by the OECD’s International Network on Financial Education (OECD/INFE) and has recently participated in the Financial Literacy option of the 2015 OECD Programme for International Students Assessment (PISA), and in the OECD/INFE International Survey of Adult Financial Literacy Competencies. Co-operation with Brazil, and in particular with the Securities Commission, has helped the OECD reinforce its work on financial education and literacy in Latin America and the Caribbean through the establishment of a regional centre in Rio.

As part of the Brazil-OECD Programme of Work 2016-17, in 2016, the OECD and the Brazilian Securities Commission (CVM) established the OECD/CVM Centre on Financial Education and Literacy in Latin America and the Caribbean. Based in Rio de Janeiro, the Centre serves as a platform to monitor and enhance financial literacy in the region through surveys and analyses, and to strengthen co-operation with the region’s governments and financial authorities in the design and implementation of financial education and inclusion policies.

“The OECD/CVM Centre, by pooling expertise and supporting data gathering, can play an important role in assisting policy makers in Brazil and other Latin American countries in the structuring and implementation of effective financial education policies. Latin American entrepreneurs and citizens in general must understand and process financial information in order to make effective financial decisions: this will positively impact their personal financial well-being and bring more individuals into the formal economy.”

Marcelo Barbosa, President of the CVM
Brazil has also been active in OECD work on consumer product safety, which fosters co-operation among jurisdictions aiming to improve information sharing and promote greater collaboration between product safety market surveillance, enforcement, and regulatory authorities worldwide. The country participated in the OECD’s Global Awareness Campaigns on Button Battery Safety (2014), and Window Covering Cord Safety (2016), which provided governments, businesses and consumers with powerful tools to detect unsafe products and prevent consumer harm, within and across borders. Brazil also actively participated in the OECD 2017 Furniture tip-over awareness Campaign.

www.oecd.org/sti/consumer
Enhancing the business environment

Regulations are the rules that govern the everyday life of businesses and citizens. They are an essential instrument in the hands of government to promote economic growth, social welfare and environmental protection. However, regulations can also be costly and ineffective in achieving their objectives. Reforms to improve the quality of regulation provide a real opportunity to stimulate economic activity.

Brazil participates in the Indicators of Regulatory Policy and Governance for Latin America. The indicators provide an up-to-date overview of regulatory systems in selected Latin American countries, by which they develop, implement and evaluate regulations. Regulation is, alongside fiscal and monetary policy, one of the key levers by which governments pursue policy objectives like economic prosperity and social well-being. By setting the “rules of the game”, governments foster the proper functioning of markets, protect the rights and safety of citizens and ensure the provision of essential public goods and services.

The Indicators show that the Brazilian government has made public consultation and ex ante impact assessment of regulation an integral part of its rulemaking process in some areas of its administration. The use of these tools is key to strengthening transparency in the rulemaking process and fostering a more business-friendly regulatory environment.

Brazil would benefit from disseminating both practices across the whole administration. They should be part of a broader public policy that aims at raising the quality of laws of regulation to make them more business-friendly, less burdensome for citizens, and more effective.

www.oecd.org/gov/regulatory-policy

“Over the years Brazil has been following OECD’s Regulatory Policy Division activities, sometimes being its subject of analysis as was the case during the peer review of the Brazilian regulatory system in 2007. Along with OECD’s best practices discussions, the framework laid down by the OECD 2012 Recommendation of the Council on Regulatory Policy and Governance is a major influence on Brazilian policies. A good example of this collaboration was the Regulatory Policy Division participation in the recent public consultation on regulatory impact assessment carried out by Casa Civil. As Brazil works to improve its regulatory governance and rule’s effectiveness we are keen to continue to strengthen this relationship.”

Marcelo Guaranys, Vice-Minister for Public Policies at Casa Civil

Foster consultation practices across the whole administration

Note: The vertical axis represents the total aggregate score across the four separate categories of the composite indicator. The maximum score for each category is one, and the maximum aggregate score for the composite indicator is four.

Strengthening corporate and state-owned enterprise governance

Corporate governance is attracting growing attention in Latin America as a means of strengthening corporate performance and enhance investor confidence in the integrity of companies in both the public and private sectors. Brazil has been playing a leading role in OECD work in this area.

Brazil’s government has been strongly engaged in OECD work on corporate governance. It has actively participated in the discussions of the OECD’s Corporate Governance Committee to update the G20/OECD Principles of Corporate Governance, and more recently, as part of the Brazil-OECD Programme of Work 2016-17, supported the committee’s efforts to implement the Principles. Brazil and the OECD have also worked together on topics related to the governance of state-owned enterprises. The country participates in the OECD Working Party on State Ownership and Privatisation Practices, and has played a leading role in its Latin American Network on Corporate Governance of State-Owned Enterprises since 2011.

Both the Brazilian government and key market participants have recently demonstrated increased commitments to improving the country’s corporate governance in line with the OECD’s two standards in this field: the G20/OECD Principles of Corporate Governance and the Guidelines on Corporate Governance of State-Owned Enterprises (SOEs). Brazil’s stock exchange (B3) special listing segment for corporate governance – Novo Mercado – announced, in June 2017, a decision to enhance corporate governance requirements in line with international best practice. Meanwhile, legislation enacted in 2016 establishes higher standards of corporate governance for Brazil’s SOEs.

Brazil has also hosted meetings of the OECD Latin American Corporate Governance Roundtable for more than a decade, including, as part of the Brazil-OECD Programme of Work 2016-17, the first meeting of a new Task Force initiative of the Roundtable launched in October 2017 to support equity market development in Brazil and across the region. Bringing together senior policy makers, regulators and market participants in the region’s most active capital markets, the Roundtable supports governments’ efforts to improve corporate governance by providing guidance on the role of institutional investors, board effectiveness, enforcement and codes of conduct.

www.oecd.org/corporate
Fighting transnational corruption

The OECD Anti-Bribery Convention is the cornerstone of international efforts to fight international bribery, the first and only global instrument to fight the supply side of corruption in cross-border business deals. By acceding to the OECD Anti-Bribery Convention, Brazil has committed to fighting bribery in international business, and to set an example in Latin America.

Through the OECD Anti-Bribery Convention, 43 countries including Brazil have made it a crime to bribe a foreign public official. As a party to the Convention, Brazil undergoes monitoring by the OECD Working Group on Bribery of its implementation of the Convention, and has had to make changes to its legislation to comply with it.

The OECD completed its third phase of monitoring of Brazil in 2014 and commended it for enacting a new corporate liability law, Brazil’s first anti-corruption law that holds companies responsible for their employees’ corrupt actions. Brazil strengthened the new legislation in 2015. Thanks to these improvements and efforts to address the OECD’s recommendations, Brazil concluded its first foreign bribery case in January 2016, by way of a leniency agreement with a Brazilian company, as well as co-operation agreements with ten natural persons. Significant sanctions were imposed for a range of offences, including foreign bribery.

Such concrete progress enables Brazil to share best practices which have emerged through its work with the OECD with Latin American countries in the context of the OECD-Latin America Anti-Corruption Programme. In return, the experiences of Latin American countries enrich the anti-corruption policy debate in the OECD.

www.oecd.org/corruption
www.oecd.org/corruption/oecdantibriberyconvention.htm
Improving tax transparency and compliance

In an increasingly interconnected world, national tax law has not kept pace with the growth of global corporations, fluid capital, and the digital economy, leaving gaps that can be exploited to erode the taxable base and shift profits to low tax environments. Brazil, within the framework of the G20 and the OECD, has been working hard to tackle this critical issue.

Brazil is actively involved in OECD work on tax, in particular in the area of tax transparency and in the G20/OECD Base Erosion and Profit Shifting (BEPS) project. It is a member of the Inclusive Framework on BEPS, which brings together over 100 countries and jurisdictions to collaborate on tackling tax planning strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations. As part of the Brazil-OECD Programme of Work 2016-17, Brazil hosted a series of technical workshops on the implementation of the BEPS project.

Brazil is involved in the Global Forum on Transparency and Exchange of Information for Tax Purposes, monitoring the implementation of tax transparency standards. The country has made important progress in implementing the tax transparency standard for the Exchange of Information on Request (EOIR), resulting in a “Largely Compliant” rating by the Global Forum. Joining the multilateral Convention on Mutual Administrative Assistance in Tax Matters in 2016 has enhanced Brazil’s capacity to tackle tax evasion and avoidance. Brazil committed to start in September 2018 automatic exchanges of financial account information so it can trace funds transferred and held offshore. It has also contributed to the OECD Common Transmission System, a platform for the secure and cost-efficient bilateral exchange of tax information.

The review of Brazil’s implementation of the Exchange of Information on Request standard, including on beneficial ownership information is scheduled to begin in 2018. Implementing the agreed BEPS minimum standards will support Brazil in taxing value-creating activities in its jurisdiction.

Through an ongoing dialogue with the OECD, it will also be important to ensure that Brazil’s approach to international tax issues aligns with global standards.

Brazil also participates in the OECD’s Global Revenue Statistics Programme, which now covers more than 70 countries globally, as well as the OECD’s work on Taxing Energy Use. In addition, Brazil participates in the OECD-Latin America and the Caribbean Fiscal Initiative, which aims to improve tax and public expenditure policies in the region. These programmes give Brazilian policy makers a powerful, high-quality tool for the comparative analysis of tax policy over time and between countries.

www.oecd.org/tax
www.oecd.org/tax/beps
www.eoi-tax.org/jurisdictions/BR#default
Increasing budgeting and public expenditure efficiency

Supreme Audit Institutions (SAIs) are a crucial part of a government’s institutional framework, examining public accounts and ensuring that public officials are held accountable. SAIs’ audits and evaluations have a direct bearing on the government’s effectiveness and efficiency and on the economy. The Brazilian SAI, the Tribunal de Contas da União (TCU) is a leading example for how SAIs can induce change in government through audits that offer insight and foresight.

As part of the Brazil-OECD Programme of Work 2016-17, the report Brazil’s Federal Court of Accounts: Insight and Foresight for Better Governance is the culmination of a three-year collaboration with Brazil’s TCU. The collaboration and final report advanced the thinking and evidence base for how SAIs can embrace their role as inducers of good governance through audits, evaluations and advisory work. The report details strategic considerations, practices and innovative approaches for going beyond traditional oversight to effect change on how policies are designed and implemented.

The report offers valuable insights and guidance to Brazil’s TCU and other SAIs for assessing their strategic orientation and taking action to advance evidence-based policy making and strengthen interactions with other public institutions. In particular, the report focuses on increasing the relevance and impact of the TCU’s work in four key areas: auditing for greater policy coherence, contributing to strategic and sustainable budgeting, strengthening internal control and risk management, and enhancing government-wide monitoring and evaluation.

The co-operation between the OECD and Brazil’s TCU has helped shape the dialogue about the role of SAIs, offering forward-looking recommendations and practices for SAIs to be effective contributors to good governance. Building on this collaboration, the OECD will continue to engage with accountability actors in Brazil in support of their crucial role in ensuring that policy makers are well-informed and policies are rooted in evidence.

www.oecd.org/gov/budgeting
www.oecd.org/gov/ethics
Promoting digital transformation in the public sector

The complexity of Brazil’s public administration demands a transformation of the public sector. This requires spurring the strategic use of digital products and services towards digital government in order to ensure streamlined organisational models, greater public sector productivity and integrity, and efficient and innovative public services.

The current co-operation between the OECD, the National School of Public Administration (ENAP), and the Ministry of Planning, Development and Management aims to support the Brazilian government in accelerating digitalisation efforts to rethink government organisations, operations and procedures in order to make them “digital by design” and better serve citizens.

As part of the Brazil-OECD Programme of Work 2016-17, the Digital Government Review of Brazil (forthcoming 2018) assesses the country’s current governance, organisational culture, and skills base to help the Brazilian government make the shift from e-government to open, inclusive, efficient and data-driven digital government. It will provide actionable policy recommendations based on state-of-the-art practices across OECD countries and adapted to the Brazilian context, and will contribute to future policy development and implementation in this area.

OECD Open, Useful, Reusable Government Data Index, 2016

Note: Data for Chile, Colombia and Mexico refer to 2014 rather than 2016.

Source: OECD (2015), survey on Open Government and Open Data
As part of the Brazil-OECD Programme of Work 2016-17, Brazil is also a member of the OECD Observatory of Public Sector Innovation (OPSI) which collects and analyses examples and shared experiences of public sector innovation to provide practical advice to countries on how to make innovations work. It provides a place to share, discuss and co-create solutions that work.

www.oecd.org/gov/digital-government
www.oecd.org/governance/observatory-public-sector-innovation/home

The Digital Government Review draws upon recent OECD work on digital government in OECD countries such as Norway, and the OECD policy principles set out in the OECD Recommendation of the Council on Digital Government Strategies.

Brazil participates in OECD work on open government data policies, as the country needs to promote the strategic use and sharing of data to improve public sector productivity, as well as to support public sector integrity and fight corruption, in collaboration with civil society organisations, journalists and academia.
EMPLOYMENT AND SOCIAL DEVELOPMENT
Creating jobs

After a prolonged period of low unemployment, Brazil’s labour market has been hit by the economic downturn. Key challenges include increasing the quality of jobs and providing youth with career opportunities and effective entry points to the labour market.

The annual OECD Employment Outlook seeks to identify key policy actions to foster more and better quality jobs through an increased understanding of how labour markets function in OECD and Key Partner countries. The 2017 edition contains a special section on the recent populist backlash against globalisation and its impact on employment policy. In the case of Brazil, despite an economic and political crisis, employment rates are higher and unemployment rates lower than the OECD average, and job security is relatively good. The main challenges in the Brazilian labour market are inclusiveness and quality of work. Women and disadvantaged people earn considerably less than prime-age male workers. Earnings in Brazil are lower than in any OECD country: the average gross hourly earnings adjusted for inequality are ten times inferior to the OECD average.

The proportion of youth who are Neither in Employment, nor in Education or Training (NEET) is also very high: 20% compared to 14% on average across the OECD. The 2014 OECD report Investing in Youth offered a range of policy recommendations to improve youth labour market outcomes in Brazil.

www.oecd.org/employment
www.oecd.org/youth.htm
Ensuring an effective and sustainable pension system

Pensions are an important pillar of social protection, and they have played a particularly significant role in the fight against old-age poverty in Brazil, which has dropped well below the population-wide average. But social expenditures are high and could become unsustainable without crucial modernisation reforms.

Brazil’s spending on its pension and social assistance system amounts to over 10% of GDP, of which 8.2% for old-age pensions, despite a young population. In the long term, estimates suggest that an ageing population will imply ever higher pension spending. If the system remains unchanged, pension spending would increase by almost 3% of GDP by 2030, and almost 5% by 2040. This excludes the separate pension system for civil servants, which currently amounts to 2.2% of GDP.

A pension reform that brings Brazil closer to OECD practices would not compromise the commitment to reduce income inequality. In fact, better targeting of social benefits could accelerate Brazil’s social progress. A shift in social expenditures could also lead to a better balance of social protection across age groups. Part of the savings from a pension reform could be used to increase social transfers with a strong inequality-reducing impact, like the conditional cash transfer programme “Bolsa Família”, which currently cost less than 1% of GDP. Such a focus on more efficient redistribution instruments would benefit children, whose poverty rates are currently much higher than those of the elderly. Such a shift could achieve the objective of reducing income inequality at a lower cost, or allow further reductions in inequality.

The OECD has been closely engaged with the Brazilian authorities providing support to the government’s efforts in designing a pension reform to enhance both efficiency and sustainability of Brazil’s pension system. An OECD Policy Memo on Pension Reform in Brazil was published in April 2017 in support of the Brazilian government’s reform proposal currently under discussion in Congress.

Old-age dependency ratio will more than triple in Brazil by 2050

Over the past couple decade, Brazil has promoted women’s rights and addressed barriers to gender equality through legal reforms and initiatives aimed at changing social norms. As a result, the gender gap in the country has declined, though there is still much to be done.

Discriminatory social norms and institutions are an important barrier to achieving development goals, as the OECD’s Social institutions and Gender Index’s (SIGI) data and research have shown. The SIGI is a cross-country measure that captures discrimination against women in laws, practices, and attitudes. Brazil is classified in the SIGI as having low levels of discrimination against women.

Brazil’s strong performance in the SIGI reflects its commitment to protect women’s and girls’ rights. For example, women and men are accorded equal parental authority in the household and there are low rates of early marriage (4%). Brazil boasts a comprehensive legislation protecting women from violence such as the “Maria da Penha Law on Domestic and Family Violence” (2006). Nevertheless, domestic violence remains an issue affecting 31% of women. Regarding women’s civil liberties, Brazil has a legislated quota of 30% to support women’s political participation; despite this, women occupy only 8.6% of parliamentary seats in 2014.

The SIGI’s next edition will be launched in 2018 with improved features such as the expansion of the country coverage to over 180 countries, an updated database, and new indicators on workplace discrimination and women’s access to justice.

The SIGI Latin American and the Caribbean Regional Report, provides a deep analysis of the discriminatory social institutions women face in the region and their development costs and impacts. It brings together good practices from partners in the region, such as Pro Mundo and ONU Mujeres, and was launched at a high-level side event during ECLAC’s 13th Conference on Women in Montevideo, Uruguay in October 2016.

www.genderindex.org
www.oecd.org/social/poverty/
theoecdsocialinstitutionsandgenderindex.htm
Implementing effective policies requires evidence that is comprehensive, tailored to a country's needs and internationally comparable. Through its active engagement in OECD work on education and skills, Brazil has become part of a global community that exchanges experiences and best practices in the development of education and skills policies.

Engagement in OECD work on education and skills gives Brazil access to international networks where successful education policies and practices are shared to further improve learning outcomes and ensure that the skills needs of the labour market and society are being met. Through its international education surveys and knowledge-base, the OECD is well placed to provide Brazil with comparable evidence to inform education policy decisions to improve the country’s education, training and skills system to help drive inclusive economic growth. Brazil and the OECD have worked together in a long list of projects related to education:

- Brazil has participated in the Programme for International Student Assessment (PISA) since its first round in 2000. PISA is a triennial international survey which aims to evaluate education systems worldwide by testing the skills and knowledge of 15-year-old students. In 2015, over half-a-million students, representing 28 million 15-year-olds in 72 countries and economies, participated in test. Brazil’s strong engagement in the Programme is reflected in its role of Vice-Chair of the PISA Governing Board. Brazil hosted the 42nd meeting of the PISA Governing Board in Brasília in October 2016.

- Brazil contributed to the conceptualisation of PISA for Development, an initiative that enhances the relevance of PISA for a wider range of middle- and low-income countries.

- A group of Brazilian schools is participating in the PISA-based Test for Schools, a student-assessment tool used to support research, benchmarking and school improvement, in collaboration with Fundação Lemann, and the Ministry of Education and Culture.

- Brazil has participated in Teaching and Learning International Survey (TALIS) since its first round in 2008. TALIS is a largescale international survey that focuses on the working conditions of teachers and the learning environment in schools. Its 2013 edition findings are representative of over 5 million teachers in 34 countries and economies surveyed in 2013. The OECD is now working on TALIS 2018, which covers 45 countries.

- Since 2000, Brazil’s data has been included in OECD Education at a Glance, an annual publication developing and analysing quantitative, internationally comparable indicators to assist governments in building more effective and equitable education systems. Brazil is the only non-OECD Member to participate fully in the programme on Indicators of Education Systems, an authoritative source for accurate and relevant information on education around the world.

- As part of the Brazil-OECD Programme of Work 2016-17, the OECD completed the Education Policy Outlook Country Profile of Brazil in collaboration with MEC and Fundação Itaú.

- The Skills in Ibero-America: Insights from PISA 2012 report provided an overview of the main challenges in the region, and policy recommendations to help improve education systems.

- Involvement in the OECD’s international education surveys, such as PISA and TALIS, has enabled Brazil to benchmark its progress against other countries and build an evidence base to inform effective education policies. Brazil’s State of Santa Catarina is engaged in the Centre for Education Research and Innovation’s project on Fostering and Assessing Progression in
Creative and Critical Thinking Skills, in collaboration with Instituto Ayrton Senna. The State of Santa Catarina also undertook the OECD Review of Education in Santa Catarina (2010), which has been a reference point for their policy reforms.

Brazil’s engagement with the OECD in the area of education and skills has a promising future. In 2018, the OECD will publish an updated Skills in Ibero-America report that will include the latest PISA and PIAAC results and will provide an overview of the main skills challenges facing Ibero-American countries today and give policy directions to enhance the quality and equity of the region’s education systems. The report was launched in February 2018 at a regional Ministerial Conference in Brazil organised by the OECD, MEC and SEGIB, in São Paulo, Brazil.

The OECD is currently undertaking a Quality Assurance of Brazil’s Higher Education System review. This project is carried out in partnership with CONAES and CAPES.

Additionally, Brazil has been invited to collaborate with the Future of Education & Skills: The Education 2030 Framework, which is developing tools to help countries anticipate and prepare their education systems for the future. Brazil is involved in discussions related to the learning framework and in the Policy Questionnaire on Curriculum Redesign.

www.oecd.org/pisa
www.oecd.org/pisa/aboutpisa/pisafordevelopment.htm
www.oecd.org/edu/school/talis.htm
www.oecd.org/skills/piaac
www.oecd.org/edu/ceri

“PISA’s results are of great importance to help drive reforms that enhance the inclusion and quality of our education system, and to define policies for more equity and valorisation of teachers.”

Maria Helena Guimarães Castro, Vice Minister of Education
Is life really getting better? How can we tell? What are the key ingredients to improving life: better education, environment, healthcare or housing? Does progress mean the same thing to all people or in all countries and societies?

The OECD Better Life Initiative focuses on developing statistics to capture aspects of life that matter to people and that shape the quality of their lives. This allows for a better understanding of what drives the well-being of people and nations and what needs to be done to achieve greater progress for all. The two core products of this initiative are the Better Life Index and the How’s Life? report.

The Better Life Index is an interactive web-based tool that invites you to create your own index based on 11 dimensions essential to well-being, from health and education to local environment, personal security and overall satisfaction with life, as well as more traditional measures such as income.

You can then compare well-being across countries and share your index with other people who have created indexes, as well as with the OECD. The Better Life Index includes data for OECD countries as well as Brazil and is currently available in English, French, German, Russian, Spanish, Portuguese and Italian.

How’s Life? Measuring WellBeing is a biannual report. As the flagship report of OECD work on well-being, it paints a broad picture of how life is in OECD countries and other major economies, by looking at people’s material and non-material conditions and quality of life along the 11 dimensions of the Better Life Initiative.

This report responds to a demand from citizens, analysts and policy makers for better and more comparable information on people’s well-being and societal progress. The fourth edition of How’s Life? was released in November 2017 and includes in-depth studies of three cross-cutting issues: governance, inequalities in well-being, and migrants’ well-being. Jointly with the publication, a country note for Brazil presents selected findings based on the set of well-being indicators used for the Better Life Initiative and shows what Brazilian users of the Better Life Index are telling us about their well-being priorities.

www.oecd.org/statistics/howslife.htm
www.oecd.org/statistics/better-life-initiative.htm
oe.cd/how-is-life
Como vai a vida no Brasil?

seu Índice para uma Vida Melhor

www.oecdbetterlifeindex.org/pt/
Income inequality in Brazil is among the highest in the world. However, it has been decreasing since the early 2000s, in contrast to the OECD area.

The proportion of Brazil’s middle class is significantly smaller than in most OECD countries, but it is growing rapidly and, unlike in other emerging economies, it is the largest income group. Over the past decade, extreme poverty has dropped dramatically, but relative poverty is still high, and children and youth are at significant higher risk of poverty. Further social policies are needed to consolidate recent accomplishments and bridge new and persistent social challenges.

Public social spending in Brazil, at just over 16% of GDP, is the closest to the OECD average (21% of GDP) among emerging economies. Public spending on old-age benefits amounts to 10% of GDP in Brazil compared to 8% on average across OECD countries. This is all the more poignant since Brazil is a relatively young country with eight persons of working age per senior citizen, twice as many as the OECD average. Spending on other social programmes, as for example “Bolsa Familia” which supports very low-income families with children, is relatively limited.

Access to quality healthcare is also an important dimension of reducing inequalities. Brazil has made significant progress in improving population health over recent decades. Brazil’s success can be attributed to the establishment of the Unified Health System (Sistema Único de Saúde; SUS) that entitles every Brazilian citizen to free healthcare at the primary, secondary and tertiary level.

In the context of its work on social protection systems, the OECD Development Centre has embarked on a joint research project to unpack the linkages between investment in social protection and inclusive growth with the International Policy Centre for Inclusive Growth (IPC-IG). Based in Brasilia, the IPC-IG is a partnership between the Government of Brazil - represented by the Ministry of Planning, Development and Management and the Brazilian Institute for Applied Economic Research (IPEA) - and the United Nations Development Programme (UNDP). Specifically, this research collaboration is an attempt to identify and quantify the role of social protection benefits (such as pensions, employment and social assistance benefits) on inclusive growth through case studies in Brazil, Germany, Ghana and Indonesia. (report forthcoming 2018).

The 2013 Territorial Review of Brazil assessed how the country could promote sustained economic growth while reducing social and regional disparities. It suggested that social programmes targeting the poor needed to be complemented with polices aimed at generating local sources of new employment and growth.

OECD reports on Brazil highlight that greater impact of the government’s poverty reduction programmes could be achieved by combining those efforts with regional and other place-based policies. Such actions could support reducing inequalities within cities, between cities and rural areas, and across different geographic areas of the country.

www.oecd.org/social
www.oecd.org/regional_
As the foundation for new businesses, new jobs and productivity growth, Innovation is an important driver of economic growth and development. The OECD offers Brazil evidence-based policy advice on the contribution of science, technology and innovation to wellbeing and economic growth for the country.

Innovation and the dynamism of new firms play a pivotal role in economic development. The OECD is actively engaged with Brazil across multiple policy areas to offer advice and exchange experiences on harnessing innovation for economic and social development. With the inclusion of Brazil in the OECD’s flagship publication Science, Technology and Innovation Outlook 2016, policy makers can access the latest policy trends and benchmark against their peers. Brazil has some well-known leading innovative firms and is at the forefront in some high-technology fields, such as deep water oil extraction. This performance, however, does not spill over to the entire economy.

The OECD’s co-operation with Brazil on these themes will continue to intensify, particularly in the framework of the Going Digital project, through an active collaboration on the measurement and analysis of digital economy statistics - in particular on e-health, e-government and e-commerce - and through Brazil’s participation in the OECD project on addressing digital risk management in SMEs.

www.oecd.org/sti
www.oecd.org/going-digital

As part of the Brazil-OECD Programme of Work 2016-17, the OECD Business Dynamics and Productivity, an OECD-IPEA co-operation on micro-data-based analysis of firm-level employment and productivity dynamics (Dynemp and MultiProd), shows that SMEs innovate very little, while there is a “missing middle” in the Brazilian formal sector. Harnessing the digital economy may help improve firm performance, and Brazil participates actively in the OECD’s digital economy work. This includes the joint OECD/Inter-American Development Bank (IDB) 2016 Broadband Policies for Latin America and the Caribbean, which outlined key policy action to accelerate broadband roll-out and adoption in the region. In 2017, Brazil requested adherence to 8 OECD legal instruments related to digital economy issues.

The OECD and Brazil share a common interest in several critical policy areas. Brazil’s participation in the 2016 OECD Ministerial Meeting on the Digital Economy in Cancun, Mexico, and
Promoting a vibrant global steel industry

Brazil plays a significant role in the world’s steel and related raw materials markets. It is one of the largest iron ore producers in the world and the largest steel producer by far in Latin America. The country’s steel sector is nevertheless facing many headwinds.

Today, the world’s production capacity exceeds demand for steel by more than 750 million tonnes. This leads to unsustainably weak profitability for many steel producers - including in Brazil -, considerable trade disturbances, and an escalation of trade actions against steel imports in many economies. Brazil is the 9th largest steel producing economy in the world. In 2016, steel production in Brazil reached 31.3 metric million tonnes, representing 2% of global crude steel production and accounting for the lion’s share of South America’s steel production.

The OECD Steel Committee has enjoyed a long and fruitful relationship with Brazil, who participates actively in the Committee’s discussions and has served as its Vice-Chair from 2013 to 2015.

Given the urgency of the situation facing the global steel sector, in September 2016 G20 Leaders called for increased information sharing and co-operation through the formation of a Global Forum on Steel Excess Capacity (GFSEC), to be facilitated by the OECD. The Global Forum was established in Berlin on 16 December 2016 and currently has 33 members, which together account for more than 90% of the world’s steel production. Brazil is an active member of the GFSEC and one of the founding Steering Group members of the OECD/G20 Steering Group on Steel Excess Capacity.

The co-operation with Brazil in the Steel Committee and in the GFSEC significantly contributes to the international dialogue on the issue of steel excess capacity, steel and raw materials trade, industry upgrading and innovation, and environmental challenges. The GFSEC aims at building transparency in steelmaking capacity developments and relevant government policies and measures and provides a unique platform for developing coordinated and effective actions to address the global excess capacity challenge. Furthermore, the Global Forum on Steel provides a model that may be used by other sectors facing similar challenges (e.g., aluminium).

The OECD also partners with Brazilian steel industry stakeholders, particularly through the Brazilian Steel Institute and Latin American Steel Association. Regularly invited to meetings and workshops of the Steel Committee, they share their views on the market outlook and inform policymakers of their position on trade and structural issues.

www.oecd.org/sti/ind/steel.htm

Crude steel production by region

<table>
<thead>
<tr>
<th>Region</th>
<th>Metric million tonnes, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>162</td>
</tr>
<tr>
<td>North America</td>
<td>110.6</td>
</tr>
<tr>
<td>CIS</td>
<td>102</td>
</tr>
<tr>
<td>Other regions</td>
<td>88.5</td>
</tr>
<tr>
<td>Brazil</td>
<td>31</td>
</tr>
<tr>
<td>South America</td>
<td>40</td>
</tr>
<tr>
<td>Argentina</td>
<td>4</td>
</tr>
<tr>
<td>Other South America</td>
<td>5</td>
</tr>
<tr>
<td>Asia</td>
<td>1,125</td>
</tr>
</tbody>
</table>

Source: World Steel Association
ENVIRONMENT AND ENERGY
As world economies become more integrated, economic growth has created environmental problems that demand global solutions. To ensure that natural resources are preserved for future generations, social and economic development must be accompanied by active policies from individual countries and the international community.

The first OECD Environmental Performance Review (EPR) of Brazil was released in 2015. It evaluates the country’s progress in mainstreaming environmental concerns into economic and sectoral policies to green its economy on the path to sustainable development, with a focus on biodiversity conservation and sustainable use and management of protected areas. It highlights Brazil’s progress in reducing deforestation and emissions of greenhouse gases, as well as in extending protected areas and access to waste, water and sanitation services.

The OECD EPR identifies 53 targeted recommendations to help Brazil green its economy and enhance environmental policy implementation, its coherence and efficiency. It provides independent, evidence-based analyses and good practices highlighting how Brazil can address persisting environmental pressures while ensuring sustained economic growth.

www.oecd.org/environment
www.oecd.org/env/countryreviews
Supporting good water governance

Harnessing water to drive sustainable growth requires investments in water infrastructure, information and institutions. Good quality water services are costly and require efficient water management. Brazil has made remarkable progress in water management in recent decades. Nevertheless, additional reforms could further strengthen the sustainability of these policies.

Water is abundant in Brazil, but unevenly distributed across regions and users. The country faces severe droughts and an overabundance of water at the same time. For example, the 2015 drought in the São Paulo region occurred while the Amazon region suffered severe flooding. Economic, demographic, and climate trends make these issues more critical, as they affect rainfall variability, availability and demand, and increase the number of people and assets at risk.

Putting a price on water can signal its scarcity or the cost of pollution and promote water efficiency. As such, water charges can play an important role in enhancing water security, favouring economic growth and improving social welfare. As part of the Brazil-OECD Programme of Work 2016-17, the OECD report Water Charges for Sustainable Growth in Brazil explains why charging water can contribute to several policy objectives in the country today and in the future and how to make them work, looking at their design, implementation, and their inter-linkages with other water management instruments. It highlights international good practices from a range of countries, assesses the state of play in Brazil and suggests ways forward to improve the current system.

The report is the result of a policy dialogue started in 2016 with the Brazilian National Water Agency (ANA) and over 100 stakeholders. It provides guidance to the Brazilian authorities and stakeholders for moving from pedagogical water charges to charges that bite. Beyond considering the structure of the charges, the report focuses on the process of setting and enforcing charges; and on expenditure management, which is key for the efficiency, effectiveness and political acceptability of a charging system. In depth analyses are carried out for three case-studies: the State of Rio de Janeiro, Paraiba do Sul River Basin and Piancó-Piranhas-Açu River Basin.

The report provides an Action Plan and a self-assessment tool for water charges design and implementation to support interested authorities with practical steps and an indication of who can do what in the short, medium and long run.

In September 2015, the OECD launched the report Water Resources Governance in Brazil, which assesses the performance of Brazil’s water governance and suggests policy recommendations for strengthening the co-ordination across levels of government and for setting up water allocation regimes that can better cope with future risks. The report focuses on the National Water Management Pact as a tool to enhance integration between federal and state water resource systems.

www.oecd.org/water
www.oecd.org/water/country-policy-dialogues.htm#Brazil
Improving energy strategy

Brazil is at the leading edge of deep-water and low-carbon energy development. The International Energy Agency and Brazil have agreed to further intensify their co-operation on policy solutions towards a sustainable and secure energy future.

On 31 October 2017, Brazil joined the International Energy Agency (IEA) as an Association country, opening new avenues for co-operation. The announcement was made in Brasilia by Fernando Coelho Filho, Minister of Mines and Energy; Aloysio Nunes, Foreign Minister and Dr Fatih Birol, the IEA’s Executive Director. Dr. Birol and Minister Coelho also signed a detailed three-year work programme highlighting a range of issues of mutual interest and co-operation.

Brazil’s energy policy choices and achievements measure up well against some of the world’s most urgent energy challenges. A concerted policy effort has meant that access to electricity is now almost universal across the country. Almost 45% of primary energy demand is met by renewable energy, making Brazil’s energy sector one of the least carbon-intensive in the world.

Brazil and the IEA plan to work jointly across a wide range of energy-related activities. These include implementation of the BioFuture Platform, which aims to promote international coordination on advanced low carbon fuels. The IEA will also support the development of Brazil’s ten-year energy efficiency plan and co-host an energy efficiency training event in Brazil to share regional and global experiences. Furthermore the work programme includes sharing best-practices on grid integration of variable renewables, gas market design, and close co-operation on clean-energy initiatives, including through the G20 and the Clean Energy Ministerial.

The IEA supports multilateral technology initiatives that are open to all countries worldwide, the private sector and international organisations. Participants in the IEA Implementing Agreements work on a range of technologies and activities aimed at broadening the knowledge base or building national capacities for example through project financing, modelling or research information. Brazil participates, amongst others, in the IEA Hydropower Implementing Agreement and co-authored the global IEA Hydropower Technology Roadmap.

The latest World Energy Balances (2017), features detailed data for over 100 countries, including on the supply and consumption of coal, oil, natural gas, electricity, heat, renewables and waste of Brazil, as well as many other Latin American countries such as Colombia, Costa Rica, Ecuador, El Salvador, Peru, Trinidad and Tobago, Uruguay and Venezuela.

www.iea.org
www.worldenergyoutlook.org
Enhancing nuclear energy and other applications

Nuclear energy is a technology that provides reliable baseload electricity on a large scale, contributes to security of energy supply and is a proven solution to climate change and air pollution.

The Nuclear Energy Agency (NEA) is a specialised agency within the framework of the OECD that aims to assist its member countries in maintaining and further developing the scientific technological and legal bases required for a safe, environmentally sound and economical use of nuclear energy for peaceful purposes. NEA membership consists of 33 countries representing 84% of the world’s installed nuclear electricity generating capacity.

Brazil has two nuclear power reactors which provide about 3% of the country’s electricity, as well as a third reactor under construction and additional reactors under consideration. Its nuclear activities include both uranium enrichment and nuclear fuel fabrication. Brazil has the world’s eighth largest identified uranium resource base.

Brazil is an important and growing market for medical radioisotopes and their active involvement in the High-level Group on the Security of Supply of Medical Radioisotopes (HLG-MR) activities is appreciated.

Although not currently active in the Generation IV International Forum (GIF), for which the NEA acts as the Technical Secretariat, Brazil is one of its founding members. The GIF carries out international research to develop reactors with improved performance in terms of safety, proliferation resistance, economic performance, better use of natural resources and waste minimisation. The NEA also serves as the Technical Secretariat for the International Framework for Nuclear Energy Co-operation (IFNEC) in which Brazil participates as an observer.

Brazil may be invited to NEA committee meetings as an “Invitee” (meaning incidentally). In follow-up to correspondence with high level contacts, an NEA mission to Brazil is foreseen to be organised in early 2018 to facilitate exchange of information.

Brazil has made remarkable progress in its chemical and transgenic industry in the last decade. This development has been critical to its economic growth and social improvement; however, it is crucial to ensure that safety is not neglected in the process.

Brazil adheres to the OECD’s system for the Mutual Acceptance of Data (MAD) in the Assessment of Chemicals, which allows the results of non-clinical safety tests on chemicals to be shared across OECD and partner MAD-adhering countries. Like many OECD countries, Brazil is involved in the development and use of alternative in vitro methods for testing chemicals. Brazil is also increasingly involved with work-sharing arrangements for the review of pesticides and in the OECD Network on Illegal Trade of Pesticides. Brazil has either co-led or participated in the preparation of a number of OECD documents addressing biosafety concerns for transgenic crops such as cassava, common bean, cowpea, papaya, sugarcane and sweet potato.

Brazil benefits from the OECD’s Chemicals Programme which supports government and industry efforts to manage risks posed by the production and use of industrial chemicals, nanomaterials, pesticides, biocides, and novel foods and feeds. It also addresses related areas of concern, such as chemical accidents and the development of Pollutant Release and Transfer Registers (PRTRs) which inform the public about the amount of hazardous chemicals and pollutants released in the air, water and soil.

As Brazil is currently setting up its industrial chemicals management system, future collaboration would include areas of work relevant to Brazil’s new legislation, such as priority setting and risk assessment methodologies.

www.oecd.org/chemicalsafety

A GLOBAL AND REGIONAL PLAYER
Promoting effective development co-operation

Brazil is a major provider of South-South co-operation, with a particular focus on Latin America and Africa. It enriches discussions at the OECD on promoting development effectively and on issues related to development finance.

According to the latest figures published by the Brazilian government, Brazil’s total development cooperation reached USD 397 million in 2013. Apart from Brazil’s contributions to multilateral organisations such as the World Bank and the United Nations, Brazil is actively involved in the new multilateral structures that are being created including the New Development Bank and the Asian Infrastructure Investment Bank.

Brazil and the OECD have been strengthening ties in promoting effective development co-operation, for instance by working on issues related to triangular co-operation, understanding different ways of measuring development co-operation and monitoring and evaluation. Brazil regularly attends the OECD Development Assistance Committee (DAC) senior and high-level meetings and the OECD participated in an event to mark the 30th anniversary of the Brazilian Co-operation Agency (ABC).

www.oecd.org/dac

THE DAC: ENABLING EFFECTIVE DEVELOPMENT
Through inclusive partnerships for development, the OECD Development Assistance Committee (DAC) helps ensure better lives for people in the developing world by:

Understanding development finance

Strengthening development co-operation

Improving development policy

Building partnerships for development
Reaching out to trade unions, business community and foundations

With the intensification of global market interconnections, international collaboration should not be restricted to the governmental level. How do we bring business communities, foundations and trade unions into the international dialogue?

The Trade Union Advisory Committee (TUAC) is an international trade union organisation which has consultative status with the Organisation and its various committees. TUAC works closely with the International Trade Union Confederation and the Trade Union Confederation of the Americas to ensure that the voice of workers in non-OECD countries is also heard. The Central Única dos Trabalhadores and other union centres participate in work undertaken in TUAC to prepare the positions taken by Global Unions in the G20 and other fora.

The OECD has given the business community a seat at the table in major policy discussions. The Business and Industry Advisory Committee (BIAC), serves at the voice of business on behalf of major industrial and employer organisations.

Brazil, represented by the Confederação Nacional da Indústria (CNI), interacts actively with major business organisations from the OECD and non-OECD Member countries. BIAC members participate in discussions and policy formation through consultation with leadership, government delegates, committees, and working groups, and provide first hand insight, advice and industry perspective. As a result, policies and programs are strengthened and better positioned to really work in the marketplace. The OECD also works closely with the Federation of Industries of São Paulo (FIESP). In November 2015, FIESP hosted a high-level event in São Paulo Building a Positive Agenda for Brazil, featuring the OECD Secretary-General, Brazil’s Ministries and authorities, representatives of the private sector and of the academia.

The Emerging Markets Network (EMnet), launched in 2007, is an initiative dedicated to the business sector that serves as a platform for dialogue and experience-sharing among OECD-based multinational corporations and their counterparts in emerging economies. EMnet promotes exchanges on business constraints in emerging and OECD markets among its members.
Next to executives of companies EMnet involves policymakers and OECD experts in closed-door sessions providing a frank conversation about common constraints. As a unique platform for dialogue with the private sector, EMnet produces periodic Policy Notes providing an overview of the private sector’s perspective on doing business in emerging economies. Every year one out of four meetings of the network focuses on Latin America. This year’s session (June 2017 in Paris) looked at strategies for innovation and growth on the continent.

The Global Network of Foundations Working for Development (netFWD) gathers self-selected foundations committed to optimising the impact of philanthropy for development through the sharing of experiences, policy influencing and the development of innovative partnerships. The OECD Development Centre launched netFWD in 2012, recognising not only the increasingly important role foundations play in the development arena and the innovative practices emerging from the philanthropic sector, but also the demand for a platform of co-operation and exchange. Co-operation with the Brazilian philanthropic sector has been strong since the Network’s inception, with three members and associates from the country: Instituto Ayrton Senna, Itaú Social Foundation, and the Worldwide Initiative for Grantmaker Support (WINGS), a global network of associations of foundations. The first OECD netFWD peer review will focus on multi-stakeholder partnerships in the area of quality education and involve foundations well known for their cutting-edge work to enhance the quality of education in different parts of the world, including Ayrton Senna Institute and Fundação Itaú Social.

The Fundação Getulio Vargas (FGV), one of the world’s leading think tanks, has been a Knowledge Partner of the OECD Forum, the Organisation’s flagship event, since 2010. They have also been active in bringing the OECD Better Life Index to a Brazilian audience, helping to launch the Portuguese language version in 2015.

In addition, parliamentarians from Brazil are becoming increasingly involved in the OECD Global Parliamentary Network, which aims at facilitating dialogue amongst parliamentarians on the enacting and implementation of reforms.
Today’s OECD: Better Policies for Better Lives

Governance structure
The OECD is structured around the Council, Committees and the Secretariat:

- Decision-making power is vested in the OECD Council. Overseeing the Organisation’s functioning and giving strategic direction, it is made up of one representative per Member country plus a representative of the European Commission and they take decisions by consensus.

- At the Committee level, representatives of Member countries and countries with Observer status from the permanent delegations to the OECD or their capitals participate in meetings, to request, review and contribute to work undertaken by the Secretariat. Terms for partner participation in committees are discussed on page 63.

Governance of the OECD

- The Secretariat collects data, conducts research and analyses and produces policy proposals. The Secretary-General heads the Secretariat and is assisted by one or more Deputy Secretaries-General. The Secretary-General also chairs the Council, providing the link between national delegations and the Secretariat.

Working methods
Through the OECD, governments work together with a multidisciplinary approach to develop evidence-based policy guidance, increasingly involving different stakeholders including parliaments, business communities and civil society. On the basis of comparable statistics collected across Member and Partner governments, the OECD Secretariat analyses countries’ policy experiences and identifies good practices, to inform policy making in participating countries and beyond. “Peer reviews”, based on dialogue and consensus-building, allow for an effective monitoring of reform progress in a broad range of policy areas. Identified good practices and policy recommendations contribute to designing new international standards in the form of “instruments” as described on page 61.

The OECD works in a broad range of policy areas
OECD LEGAL INSTRUMENTS: FACILITATING INTERNATIONAL CO-ORDINATION

For more than 50 years, the OECD has developed policy guidelines and standards which promote a level playing field and enhance policy dialogue in the international community. There are currently some 260 legal instruments of the OECD, setting out binding and non-binding standards in almost all fields of the Organisation’s work.

The majority of them are Council Decision and Recommendations (known together as “OECD acts”, see acts.oecd.org). Two further categories of legal instruments have been developed through the practice of the Organisation, namely Declarations and International Agreements concluded with the OECD framework.

Perhaps the best-known examples are the Declaration on International Investment and Multinational Enterprises (and related OECD Acts) to which Brazil has been an Adherent since 1997; the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions to which Brazil has been a party since 2000; and the Convention on Mutual Administrative Assistance in Tax Matters which Brazil signed in 2011 but has not yet ratified.

Currently, a concerted effort is being made to further integrate the perspectives of Brazil in the OECD’s standard-setting activities. In particular, the participation of Brazil and of other Key Partners in the development of new legal instruments and the revision of existing ones is crucial to ensure their global relevance.

BRAZIL CURRENTLY ADHERES TO 38 OECD LEGAL INSTRUMENTS:

Agriculture
- Decision of the Council Revising the OECD Schemes for the Varietal Certification or the Control of Seed Moving in International Trade
- Declaration on Better Policies to Achieve Productive, Sustainable and Resilient Global Food System
- Decision of the Council revising the OECD Scheme for the Application of International Standards for Fruit and Vegetables

Anti-Corruption
- Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- Recommendation of the Council for Further Combating Bribery of Foreign Public Officials in International Business Transactions
- Declaration on the Fight Against Foreign Bribery – Towards a New Era of Enforcement

Chemicals
- Decision of the Council concerning the Mutual Acceptance of Data in the Assessment of Chemicals
- Decision-Recommendation of the Council on Compliance with Principles of Good Laboratory Practice

Competition
- Recommendation of the Council concerning Effective Action against Hard Core Cartels
- Recommendation of the Council Concerning International Co-operation on Competition Investigations and Proceedings
- Recommendation of the OECD Council on Competition Assessment
Annexes

- Recommendation of the OECD Council Concerning Structural Separation in Regulated Industries
- Recommendation of the OECD Council on Fighting Big Rigging in Public Procurement

**Corporate Governance**
- G20/OECD Principles of Corporate Governance

**Digital Economy**
- Declaration on Science, Technology and Innovation Policies for the Global and Digital Age (Daejeon Declaration)

**Export Credits**
- Arrangement on Officially Supported Export Credits
- Recommendation of the Council on Bribery and Officially Supported Export Credits

**Fiscal Affairs**
- Declaration on Base Erosion and Profit Shifting
- Declaration on Automatic Exchange of Information in Tax Matters
- Recommendation of the Council on Tax Measures for Further Combating Bribery of Foreign Public Officials in International Business Transactions
- Convention on Mutual Administrative Assistance in tax Matter as Amended by the Protocol amending the Convention on Mutual Administrative Assistance in Tax Matters

**International Investment & Multinational Enterprises**
- Declaration on International Investment and Multinational Enterprises
- Recommendation of the Council on Member Country Measures concerning National Treatment of Foreign-Controlled Enterprises in OECD Member Countries and Based on Considerations of Public Order and Essential Security Interest

- Recommendation of the Council concerning Member Country Exceptions to National Treatment and National Treatment related Measures concerning Investment by Established Foreign-Controlled Enterprises
- Recommendation of the Council on Member Country Exceptions to National Treatment and National Treatment related Measures concerning the Services Sector
- Recommendation of the Council on Member Country Exceptions to National Treatment and National Treatment related Measures in the Category of Official Aids and Subsidies
- Recommendation of the Council on Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict- Affected and High-Risk Areas
- Decision of the Council on International Investment Incentives and Disincentives
- Decision of the Council on Conflicting Requirements being imposed on Multinational Enterprises
- Third Revised Decision of the Council concerning National Treatment
- Decision of the Council on the OECD Guidelines for Multinational Enterprises
- Recommendation of the Council on the OECD Due Diligence Guidance for Responsive Supply Chain in the Garment and Footwear Sector

**Propriety, Integrity and Transparency**
- Declaration on Propriety, Integrity and Transparency in the Conduct of International Business and Finance
Small and Medium Enterprises
- The Bologna Charter on SME Policies
- Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs

Steel
- Multilateral Guidelines (Extract from the Annex to the Decision establishing a Steel Committee)

BRAZIL’S PARTICIPATION IN OECD BODIES
With Associate or member (full right) status:
- International Energy Agency (Association country)
- Discussions concerning the Recommendation of the Council on Principles of Corporate Governance of the Corporate Governance Committee
- Project on Base Erosion and Profit Shifting (BEPS)
- Governing Board of the Programme for International Student Assessment (PISA)
- Joint Meeting of the Chemicals Committee and the Working Party on Chemicals, Pesticides and Biotechnology on issues related to the Mutual Acceptance of Data: the Working Group of National Co-ordinators of the Test Guidelines Programme; and, the Working Group on Good Laboratory Practice
- Global Forum on Transparency and Exchange of Information for Tax Purposes, including its Steering Group and Peer Review Group
- Development Centre (member)
- Working Group on Bribery in International Business Transactions (member)
- Investment Committee meeting in enlarged session for work related to the Declaration on International Investment and Multinational Enterprises and related Instruments
- Working Party on Responsible Business Conduct of the Investment Committee
- Steel Committee

With Participant status (attending non-confidential sessions only):
- Corporate Governance Committee and its Working Party on State Ownership and Privatisation Practices
- Committee on Fiscal Affairs and its subsidiary bodies
- Teaching and Learning International Survey (TALIS) Governing Board
- Advisory Task Force on the OECD Codes of Liberalisation, a subsidiary body of the Investment Committee, the Committee on Financial Markets and the Insurance and Private Pensions Committee
- Working Party on Financial Statistics, a subsidiary body of the Committee on Financial Markets
- Working Party on Consumer Product Safety, a subsidiary body of the Committee on Consumer Policy
- Committee for Scientific and Technological Policy
- Committee on Statistics and Statistical Policy and its subsidiary bodies
- Working Party on Private Pensions, a subsidiary body of the Insurance and Private Pensions Committee
- Joint Working Party on Trade and Environment, a subsidiary body of the Trade Committee and the Environment Policy Committee
- Public Governance Committee and its subsidiary bodies
- Committee for Agriculture and its subsidiary bodies
- Competition Committee and its subsidiary bodies
- Trade Committee and its subsidiary bodies
- Investment Committee and its subsidiary bodies, except where it is Associate
Discover reports, data and analysis about Brazil alongside the world's leading economies on OECD iLibrary, the global knowledge base – www.oecd-ilibrary.org

See more on the OECD-Brazil Co-operation www.oecd.org/latin-america/countries/brazil/

For news and information about OECD work and events with Brazil www.oecd.org/brazil

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The Organisation for Economic Co-operation and Development (OECD) is an international organisation helping governments tackle the economic, social and governance challenges of a globalised economy. It provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD Member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America.