ACTIVE WITH
BRAZIL
The OECD is proud to have Brazil as a Key Partner. Brazil is a source of valuable policy experience and has contributed significantly to global policy debates at the OECD.

The current difficult economic context underlines the need to boost productivity and competitiveness. To achieve sustainable and inclusive growth, Brazil will need to implement a comprehensive reform agenda to address infrastructure bottlenecks, streamline the tax system, enhance its participation in global value chains, strengthen improvements in the education and skills of the labour force, reinforce the innovation capacity and reduce regulatory complexity.

The Brazilian government is aware of these challenges and has expressed the willingness to implement the necessary reforms. The OECD is ready to support Brazil in this endeavour. The Co-operation Agreement signed in 2015 brings our partnership to a new level and puts the full range of OECD expertise at the disposal of Brazil as it implements its ambitious reform agenda. The joint Brazil-OECD Programme of Work for 2016-2017 is oriented to support Brazil in its policy priorities.

The co-operation between the OECD and Brazil has been extensive and mutually beneficial. This brochure provides a glimpse of this enriching partnership. We look forward to strengthening this co-operation and continue our work with Brazil in designing and implementing better policies for better lives for all Brazilians.

ANGEL GURRÍA, OECD Secretary-General
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The OECD and Brazil

Brazil is the largest economy in Latin America and the seventh economy of the world. Brazil is one of five major emerging economies with which the OECD has established a key partnership, together with China, India, Indonesia and South Africa. The mutually beneficial Brazil-OECD relationship has been evolving steadily since the mid-1990s.
Brazil is an active Key Partner of the OECD. The co-operation between Brazil and the OECD dates back to the early 1990s, when Brazil joined the Steel Committee. Since, the collaboration has grown steadily and the country participates today in the substantive work of many of the OECD’s specialised Committees, where senior officials from member and partner countries meet to discuss the best practices in specific policy areas.

Since 1994, the country is a member of the OECD’s Development Centre. It participates as an “Associate”, i.e. participating on equal footing with OECD members, in seven OECD bodies, being vice-chair of two of them, the Governing Board of the Programme for International Student Assessment (PISA) and the Steel Committee. This reflects the leadership Brazil has developed in these areas and is an important signal of its strong engagement with these bodies. In addition, Brazil is a “Participant” in another eleven OECD bodies (see Annex).

Brazil has also engaged in a productive dialogue with the OECD in the framework of the G20, which has resulted in initiatives such as the Base Erosion and Profit Shifting project. It is an active contributor to the New Approaches to Economic Challenges (NAEC) initiative, an organisation-wide reflection on how to strengthen the OECD’s analytical framework and build a new policy agenda for more resilient and inclusive growth. In March 2015, the Ministry of Finance hosted a high-level NAEC Seminar to discuss issues related to Productivity Growth and Innovation in the Long Run, and Sustainable finance and Long-Term Investment.

Brazil contributes to the OECD’s statistical databases and encourages the wide availability of OECD information and databases for public servants, researchers and students through a specific agreement which provides OECD iLibrary access to 200 Brazilian institutions.

In June 2015, during the Ministerial Council Meeting in Paris, the Brazilian Government, represented by Minister of Foreign Affairs Mauro Vieira and Minister of Finance Joaquim Levy, signed a Co-operation Agreement with the OECD’s Secretary General Angel Gurría to strengthen the Brazil-OECD co-operation. The Agreement led to the development of a joint programme of work for 2016-2017, which was launched in Brasília in November 2015.
“The participation of Brazil in the OECD has grown steadily and gradually over time. Since the 1990s Brazil has joined several OECD instruments and bodies and engaged in a significant number of peer reviews. One important motivation in that context is our acknowledgement of the OECD as a singular international organization, qualified and able to provide ideas and expertise in different policy areas through its activities ranging from studies and reviews to the exchange of national experiences. The signature of the Co-operation Agreement between Brazil and OECD during the MCM 2015 is a milestone as it provides a sound basis for further developing and strengthening those ties. Looking ahead, the Brazil-OECD Programme of Work will enable the implementation of different initiatives in 2016-2017, in consonance with our own development strategy geared to improved outcomes in terms of economic growth, social inclusion and sustainability.”

Mauro Vieira, Minister of Foreign Affairs of Brazil

“The Brazil-OECD Co-operation Agreement reflects the specific context of our relations. As Brazil strengthens the foundations for sustainable development, encompassing renewed efforts in areas such as productivity growth, investment in innovation, efficiency in public spending and integration to the world economy, the OECD undergoes important changes in terms of its membership, working methods and analytical perspectives. Brazil expects to benefit from the OECD, just as we will strive to contribute to the Organization’s work with our national experience and development objectives. The implementation of the Brazil-OECD Programme of Work will benefit from a ‘two-level’ approach, building upon the ongoing identification of priorities and coordination of the Brazilian government’s participation in the different initiatives and bodies of the Organization.”

Paulo Cesar de Oliveira Campos, Ambassador of Brazil to France
THE OECD AND BRAZIL

“I see the year 2015 as an historical one for the partnership between Brazil and the OECD. A Co-operation Agreement was signed by the Finance Minister, Joaquim Levy, and the Foreign Affairs Minister, Mauro Vieira, at the OECD Ministerial. I am deeply convinced that this cooperation will continue to move closer than ever. Brazil has long become one of the world’s leading economic powers. It has made tremendous progress in terms of improving the quality of life of its citizens and it ranks above the OECD average in subjective well-being, work-life balance and social connections. Productivity improvements and structural adjustment resulting from broad economic reforms will be key, to firmly anchor Brazil as a leading economic world power.”

Paulo Vizeu Pinheiro, Ambassador of Portugal to the OECD, Chair of the External Relations Committee (which oversees the Organisation’s overall global relations)

“The collaboration between the OECD and Brazil goes back many years but it is clear that it has intensified in the past few months, especially on the political level. The OECD-Brazil relationship is one of mutual benefits. OECD can offer Brazil a diversity in policy advise, recommendations and peer reviews. Brazil has a lot to offer the OECD membership in sharing experiences on inclusive growth, environmental protection and lifelong learning. The IRG is a platform for political dialogue and interaction with the objective to contribute to enhance our relationship.”

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

“The OECD’s Global Relations Strategy seeks to make the Organisation a more effective and inclusive global policy network, through close co-operation with our five Key Partners (Brazil, China, India, Indonesia and South Africa) and strengthened engagement with all regions of the world. The Brazil-OECD Co-operation Agreement signed in June 2015 is an important milestone in our collaboration. Brazil’s engagement in OECD bodies, and its leadership in important projects, greatly enriches policy debates. Brazil has also been actively contributing to developing global standards at the OECD. This is of great mutual benefit.”

Marcos Bonturi, OECD Director of Global Relations

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After a decade of strong and inclusive growth, Brazil’s economy has slowed down. With lower commodity prices, slower growth in China and Europe and a tighter monetary policy in the US, Brazil will have to “go structural” to improve its productivity and regain international competitiveness. This will be necessary to restore high economic growth and to sustain the remarkable advancements made on the social front.
Brazil experienced remarkable growth in the last decade, but recently, the external context has become less favourable and the domestic environment more complex. How can Brazil’s economy resume its convergence with advanced economies sustainably?

OECD Economic Surveys identify the main economic challenges faced by each OECD and key partner country and analyse various policy options.

The 2015 Economic Survey of Brazil highlights the importance of future productivity gains for Brazil’s growth and discusses macroeconomic and structural policy priorities to strengthen productivity growth in Brazil. The survey analyses options to strengthen the performance of Brazil’s industrial sector and discusses the role of public healthcare services within Brazil’s successful strategy to reduce poverty and inequality. Significant progress has been made in improving Brazil’s public health due to universal public healthcare. However, inequalities in access persist and the efficiency of healthcare spending could be enhanced. The next edition will be published in 2017.

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. The latest version, published in June 2015, discusses the need to strengthen confidence in macroeconomic policies through fiscal adjustment and a return of inflation rates to its target level. The publication suggests that structural factors underlying weak performance should be addressed, notably by implementing tax reform, lowering trade barriers and improving infrastructure. It also notes that Brazil has achieved substantial reductions of poverty and inequality and that these policy efforts should be maintained to make growth more inclusive.

Going for Growth is the OECD’s flagship report highlighting the main growth challenges and developments in structural policy reforms. Since 2011, Brazil is included with other key emerging economies (China, India, Indonesia, Russia and South Africa). Based on a broad set of internationally comparable indicators of structural policies and performance, five priorities are identified for each country with the aim of improving labour productivity and utilisation. Potential effects of the reforms on policy objectives other than GDP growth are discussed, in particular relating to objectives for green growth, reducing inequality, public finance and macroeconomic imbalances.

“The OECD is a place where public administrations from different countries exchange experiences and information. This is also something that will improve the quality of our public sector. Everybody wants to see better spending, better governance. Participating in the OECD is also a way to do this.”

Structural policy reforms essential for increasing long-term growth in Brazil:

- **Strengthen confidence in macroeconomic policies.** Implementing fiscal adjustments in line with medium-term objectives would stabilise gross public debt and lead to more investment.

- **Reduce distortions in the tax system.** A less onerous tax system would contribute to faster productivity gains.

- **Reduce trade protection steadily.** Lowering tariffs and phasing out local content requirements would spur productivity gains and a stronger integration into the global economy.

- **Strengthen competition.** Streamlining regulation of product markets would allow dynamic and innovative firms to prosper.

- **Increase private investment in infrastructure and remove remaining barriers to competition.** Better infrastructure, accessible at competitive prices, would lead to higher productivity growth.

- **Enhance outcomes and equity in education.** Increasing the overall education level of the workforce would accelerate productivity growth.

- **Improve the efficiency of healthcare spending.** More efficient public healthcare delivery would improve access and quality.

www.oecd.org/eco/surveys/listofeconomicsurveysofbrazil.htm
www.oecd.org/eco/growth/Brazil.pdf
www.latameconomy.org/en
Increasing agricultural productivity and food security

As one of the world’s major exporters of primary products, Brazil relies on its agriculture to build a strong and dynamic economy.

Brazil is an active collaborator in the preparation of the OECD-FAO Agricultural Outlook, which provides 10-year projections for the major agricultural commodities and biofuels. In real terms, prices for all agricultural products are expected to decrease over the next ten years, as production growth, helped by on-trend productivity growth and lower input prices, outpaces slowing demand increases. The 2015 Outlook contained a special focus on Brazil, which ranks among the world’s ten largest economies and is the second largest global supplier of food and agricultural products. Brazil is poised to become the foremost supplier in meeting additional global demand, mainly originating from Asia.

“Production of food is highly concentrated in a few countries. We have 10 to 20 countries representing now more than three-fourth of all food production in the world. Mercosur countries such as Argentina, Brazil, Uruguay, Paraguay and Bolivia have become big players due to technological improvements – technologies that are increasingly environmental friendly.”

José Graziano da Silva, FAO Director General

The Agricultural Policy Monitoring and Evaluation: OECD Countries and Emerging Economies publication provides an annual assessment of agricultural policy support instruments and policy developments, covering OECD countries and a range of emerging economies that are important players in world agricultural markets, including Brazil.

The OECD is the main global reference for the certification and standardisation of seeds, agricultural and forestry tractors, forest reproductive material, and fruit and vegetables. The OECD Agricultural Codes and Schemes facilitate international trade through the simplification and harmonisation of documentary, inspection and testing procedures.

www.oecd.org/tad/agricultural-policies
www.oecd.org/tad/code

The world economy is slowly emerging from one of the worst crises in decades but returning to the previous type of growth is not an alternative. A sustainable growth path will only be possible if the world’s natural assets are preserved.

The OECD Green Growth Strategy offers an opportunity to re-think our current economic model and equip countries, including Brazil, to tap into greener and more sustainable development. Strengthening policy coherence is crucial to address interconnected environmental challenges, particularly given the importance of biodiversity preservation, climate change mitigation and adaptation, and water governance.

Since the launch of the Green Growth Strategy in 2011, the OECD has been working with countries to integrate environmental perspectives into economic and sectorial policies. The Green Growth Tracking Progress Report highlights the lessons learned from green growth mainstreaming efforts across OECD’s work programme and considers potential priorities for future work in this important area. Several countries in the LAC region – Colombia, Costa Rica, Ecuador, Guatemala, Mexico, Paraguay, and Peru – have applied the OECD Green Growth Indicators approach. The OECD holds an annual Green Growth and Sustainable Development Forum to focus on cross-ministerial issues, to which Brazil is invited. The 2015 GGSD Forum will examine how to foster the “next industrial revolution” by harnessing the innovative potential on green growth policies.

Building on the findings of the OECD Green Growth Strategy, the report Putting Green Growth at the Heart of Development explains why green growth is vital to secure a more sustainable future for developing countries. Green models for development offer an alternative that relies on and values natural assets, which are essential to the well-being and livelihoods of people in developing countries. The report draws on a range of developing country examples, including Brazil’s Proambiente programme, which rewards farmers for more environmentally sound agricultural production practices, and the Bolsa Floresta payments for ecosystem services programme in Amazonas State.

The Environmental Performance Review of Brazil was launched in November 2015. The report identifies key environmental trends, and analyses the policies and institutional settings for green growth. (for more details, see section on Environment and Energy)

www.oecd.org/greengrowth
www.oecd.org/development/environment-development
With 75% of global trade now comprised of intermediate inputs and capital goods and services, “what you do” – the activities a firm or country is involved in – matters more for growth and employment than “what you sell” – the products that make up final sales or exports.

International production, trade and investment are increasingly organised within global value chains (GVCs) in which the different stages of the production process are located across different countries. The OECD has a long history of studying value chain 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. It reveals, for example, the importance of imports to produce exports, the role of services in the production of goods and providing a prism to analyse true international inter-dependencies and production complementarities. These issues are also being explored in collaboration with the Brazilian Institute for Applied Economic Research (IPEA) in the context of Latin America.

The third release of the OECD-WTO TiVA database (October 2015) presents indicators for 61 economies (including Brazil) covering the years 1995, 2000, 2005, and 2008 to 2011 and broken down by 34 industries. The new results suggest that Brazil’s participation in GVCs remains relatively limited, reflecting the large size of the Brazilian economy and its strong reliance on natural resources. Brazil’s major import and export markets remain outside of Latin America. In gross terms, China (16.3%) and the United States (13.4%) were Brazil’s two most important export markets in 2011. In value-added terms, the United States was the most important foreign market instead of China, partly reflecting Brazilian value-added embodied in Chinese exports.

Brazil also participates in the OECD Development Centre’s Initiative on Global Value Chains, Production Transformation and Development which promotes knowledge sharing among participating countries on how to promote development by facilitating participation in GVCs.

“One consensus that emerged from these dialogues (with OECD counterparts) is that Brazilian society is today very interested in issues of foreign policy and foreign trade. Another consensus is that Brazilian foreign trade needs an integrated strategic policy.”

Thomas Zanotto, Director of the Department of International Relations and Foreign Trade of the São Paulo State Industry Federation

[oe.cd/gvc]
[oe.cd/tiva]
[www.oecd.org/sti/ind/TiVA_BRAZIL_MAY_2013.pdf]
[www.oecd.org/dev/global-value-chains.htm]
Trade and foreign investment have proven essential for economic development across the globe. Although economic reforms in the 1990s have increased the country’s macroeconomic stability, Brazil still faces challenges in strengthening the functioning of markets, facilitating trade, enhancing competition and improving the business environment.
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. What policies are needed for Brazil to continue to progress?

Speed and efficiency in border procedures is paramount in reducing trade costs, boosting trade flows and reaping greater benefits from international trade. To help governments improve those procedures, the OECD has developed a set of trade facilitation indicators that identify areas for action and enable the potential impact of reforms to be assessed. Brazil stands out in transparency, predictability and due process but could draw considerable benefits from continued efforts in streamlining border fees and charges, and procedures, further simplifying and harmonising trade documents, and promoting automation.

Brazil has been included in the OECD’s Services Trade Restrictiveness Index (STRI) database. The STRI allows policymakers to assess reform options and their likely effects; trade negotiators to clarify those restrictions that most impede trade, growth and employment; and businesses to shed light on the requirements that traders must comply with when entering foreign markets.

Brazil played a major role in the negotiation and drafting of the 2011 version of the Aircraft Sector Understanding (ASU), originally agreed in 2007. This is a path-breaking Aircraft Agreement among major civil aircraft exporting countries, which has paved the way for the establishment of a level playing field among main competitors in the area of civil aviation. This agreement rationalised government support for export deals across all commercial aircraft. 2013 marked the tenth anniversary of a constant and fruitful engagement of Brazil in the ASU work. The OECD has benefited, and will continue to benefit, from the contributions of a major player in the aircraft industry, committed to maintaining a high value in ASU disciplines.

Aid for Trade at a Glance, a joint OECD-WTO publication, provides an analysis of trends and developments in aid that aim to help developing countries integrate into the global economy and benefit from trade opportunities. The latest publication, launched in July 2015, focused on trade costs, which most developing country governments, regional economic communities and their development partners are seeking to reduce.

www.oecd.org/trade/facilitation/indicators.htm
www.oecd.org/tad/services-trade/services-trade-restrictiveness-index.htm
www.oecd.org/dac/aft/aid-for-trade-at-a-glance-22234411.htm
Promoting sound competition

Brazil’s new Competition Law entered into force on 29 May 2012, advancing a process of reform and modernisation of Brazil’s competition law and policy which started in 2003.

The OECD Competition Committee, comprised of the world’s major competition authorities, provides policy analysis and advice to governments on competition law, and enforcement, as well as competition-friendly regulation. Since 1998, it has undertaken over 30 peer review reviews which assess how a country deals with competition and regulatory issues. Brazil has undergone two such reviews, in 2005 and 2010. Several key recommendations from these reviews are reflected in the new law, including:

- the introduction of a merger notification *ex ante* as well as a system of double threshold for merger notification;
- a significant increase in the level of fines;
- tougher criminal sanctions with a fine and a prison sentence instead of a choice between them;
- a streamlined Brazil Competition Policy System (BCPS).

The OECD supports countries like Brazil on a wide range of competition related matters. Brazil, along with Chile, was an active participant in the *OECD Project to Reduce Bid Rigging in Latin America*, 2007-2008. The project assisted competition authorities in detecting and preventing bid-rigging in public tenders. Plans for future co-operation with Brazil potentially include projects on 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 evaluation where the decisions of the competition authority are analysed for impact and efficiency.

“CADE has undergone major reform in 2012 with the enactment of new legislation that unified all competition enforcement activities into one single governmental body and adopted a pre-merger control system. We were fortunate to have OECD support during the whole approval process of the Bill. Furthermore, OECD materials and discussions have significantly improved CADE’s findings for the implementation of an effective competition policy in Brazil”.

Vinicius Marques de Carvalho, President of Administrative Council of Economic Defence (CADE)

www.oecd.org/competition
www.oecd.org/competition/latinamerica
www.oecd.org/daf/competition/brazil-competition.htm
The Brazilian National Strategy for Financial Education is driven by the need to inform the rising middle class about how to save and invest wisely while helping the poorest households understand and use basic financial services.

The OECD Financial Education Project was created in 2002 to address the issue of financial literacy. The importance of this work was further enhanced through the creation in 2008 of the International Network on Financial Education (OECD/INFE). The INFE’s membership now comprises over 240 public institutions - including central banks, financial regulators and supervisors, ministries of finance and ministries of education - from over 110 countries. The OECD/INFE develops methodologies, collects cross-comparable evidence, and undertakes policy analysis and research to create globally recognised policy instruments.

Brazil participates actively in the Network, and on its Advisory Board and in its Expert Subgroups. This reflects the importance of financial education policies in Brazil, where the four financial regulators officially established in 2010 a national strategy for financial education, the Estratégia Nacional de Educação Financeira (ENEF). The strategy is supported by evidence collected through OECD instruments. In 2015 Brazil participates in both the Financial Literacy Option of the OECD Programme for International Students Assessment (PISA) and in the OECD/INFE international measurement exercise of financial literacy and inclusion of adults.

The national strategy aims to both financially empower middle classes, notably through a focus on investor education, and to teach basic financial skills to lower income families and beneficiaries of federal income transfer programmes such as Bolsa Família. The national strategy for financial education also focuses on future generations, through programmes aimed at secondary and primary school students.

“Financial education, in providing elements so that consumers can make informed decisions, contributes significantly to the efficiency and soundness of the financial system, the reduction of social inequalities and the strengthening of citizenship. By emphasising the young and the most vulnerable, Brazil’s National Strategy for Financial Education is in the right path to achieve these goals”

Luiz Edson Feltrim, Deputy Governor, Central Bank of Brazil

www.oecd.org/finance/financial-education
Rapidly-changing markets require increasingly high levels of knowledge and skill in order for consumers to make informed purchasing decisions. At the same time, consumers expect ever-greater protection from governments. How can policy makers meet these expectations and effectively enhance consumer protection?

The OECD undertakes analysis of policies to support e-commerce, foster consumer product safety, and better understand consumer economics. In 2010, the OECD developed the Consumer Policy Toolkit, a practical guide that provides a framework for understanding changes in consumer markets and the related implications for policy making. That work led to the adoption by Council in 2014 of a Recommendation on Consumer Policy Decision Making that sets out the key steps for making consumer policy decisions.

The OECD has also been actively working on e-commerce issues. It is currently finalising the revision of its 1999 Guidelines for Consumer Protection in the Context of Electronic Commerce, building on preparatory work in the areas of mobile and online payments, digital content products and participative e-commerce. Brazil has been involved in this work, which is closely related to a decree it put forth on e-commerce in March 2013.

Brazil also plays an active role in OECD work on consumer product safety, as a Participant. A web-based GlobalRecalls portal was launched in 2012 to draw together information on product recalls worldwide, providing governments, businesses and consumers with a powerful tool for detecting unsafe products and preventing consumer harm, within and across borders. A global approach for risk assessment conducted by product safety authorities is also being developed, and efforts are underway to develop a platform for sharing information on consumer injuries.

www.oecd.org/sti/consumer
Brazil has joined many international initiatives aimed at improving public and corporate governance in fields such as anti-corruption, tax compliance, transparency and exchange of information on tax matters, government accounting and supreme audit institutions.
One of the main outcomes of globalisation is the surge of international investment by multinational enterprises. Promoting appropriate business conduct by these companies is a real challenge as their operations often straddle dozens of countries and hundreds of cultural, legal and regulatory environments.

Brazil has been an adherent to the OECD Declaration and Decisions on International Investment and Multinational Enterprise since 1997. The Declaration set standards for transparent investment policies and responsible business conduct.

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

The Guidelines are supported by the unique implementation mechanism of National Contact Points (NCP) which assists multinational enterprises to observe the Guidelines. The Brazilian NCP, an inter-agency body located within the Ministry of Finance, participated in the inaugural Global Forum on Responsible Business Conduct in June 2013, and has organised several international workshops as part of his role in promoting the Guidelines. The most recent workshop was held in Rio de Janeiro in January 2015.

Corporate Governance is an increasingly important issue in Latin America. Considerable efforts have been made to improve the region’s investment environment through corporate governance reforms, and Brazil has been playing a leading role with the OECD in this matter.

As a founding member of the Latin American Corporate Governance Roundtable, which has met annually since 2000, Brazil has hosted meetings of the Roundtable in a sustained effort to improve corporate governance implementation. Brazil is also an active participant in the Corporate Governance Committee; it has participated in several Committee peer reviews and as an Associate in the Corporate Governance Committee’s 2014-2015 review of the G20/OECD Principles of Corporate Governance. Brazil also participated in the review of the 2015 Guidelines on Corporate Governance of State-Owned Enterprises.

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, guiding the role of institutional investors, board effectiveness, enforcement and codes of conduct. The Roundtable has also supported the work of several additional groups. In addition to the Companies Circle, launched in 2005, the Roundtable has supported the establishment of a Latin American Network on Corporate Governance of State-Owned Enterprises in 2011. More recently a specialised experts’ task force has issued country-specific recommendations on preventing the abuse of transactions between related parties, and on corporate governance of company groups.

“Brazil’s participation in the review of the Principles of Corporate Governance has allowed us to take a fresh look at lessons learned from recent global developments in capital markets – and how their recommended policies and practices may be best adapted to our own markets.”

Leonardo P. Gomes Pereira, Executive Chairman, Securities and Exchange Commission of Brazil (Comissão de Valores Mobiliários – CVM)

www.oecd.org/corporate/mne
www.oecd.org/daf/ca/
latinamericanroundtableoncorporategovernance.htm
Fighting transnational corruption

Corruption in international business is a major obstacle to sustainable and inclusive economic growth, as it undermines good governance and fair business practices. If left to fester, corruption can lead to civil unrest, discourage investors and cripple private sector development.

In 1999, the OECD adopted the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the Convention) to stem the cross-border flow of bribes. It is the first and only international anti-corruption instrument focused on the ‘supply side’ of the bribery transaction. The Convention aims to curb corruption in international business deals, such as major infrastructure projects or lucrative export contracts. The OECD monitors its implementation through country peer reviews that result in targeted recommendations. The recommendations are made public and followed up through a rigorous review mechanism.

Brazil adopted the Convention in 2000 and has been through three phases of peer review, most recently in October 2014.

This evaluation welcomed the adoption of Brazil’s new Corporate Liability Law, and encouraged Brazil to swiftly enforce its modernised legislative arsenal to tackle corruption.

Additionally, implementation of the Convention involves strong civil society and private sector participation. Companies are encouraged to adopt effective internal controls, ethics and compliance measures for preventing and detecting bribery. Towards this end, the OECD has issued a Good Practice Guidance that companies can adopt.

Brazil also plays an important role in the OECD’s Latin America Anti-Corruption Programme. The Programme aims to strengthen implementation and enforcement of international and regional anti-corruption conventions and promote integrity. It is informed by experience implementing the OECD Anti-Bribery Convention and related instruments.

www.oecd.org/corruption
In an increasingly interconnected world, national tax laws have not kept pace with 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.

In May 2013, on the occasion of the OECD Ministerial Meeting, Brazil signed the Declaration on Base Erosion and Profit Shifting. The Declaration acknowledges that BEPS is a critical global issue, as identified in the Report on Addressing Base Erosion and Profit Shifting, and encourages coordinated efforts to develop inclusive and effective solutions. Undertaken at the request of the G20 Leaders, the OECD developed the BEPS Action Plan, which identified 15 actions to put an end to international tax avoidance. In October 2015, G20 finance ministers endorsed the final package of measures for a comprehensive, coherent and co-ordinated reform of the international tax rules.

The Global Forum on Transparency and Exchange of Information for Tax Purposes is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 120 jurisdictions, which participate on an equal footing.

Brazil has been a member of the Global Forum since September 2009, and it plays an active role in both the Steering Group and the Peer Review Group. As a member, Brazil successfully underwent two peer reviews: on Legal and Regulatory Framework (Phase 1) and Exchange of Information Practices (Phase 2). The Convention on Mutual Administrative Assistance in Tax Matters is a comprehensive multilateral instrument enabling various forms of tax co-operation, including automatic exchange of information to tackle tax evasion. The Convention was amended to respond to the call of the G20 to align it with international standards on exchange of information. Brazil signed the Convention in November 2011 at the G20 Leaders Summit in Cannes, France.
The Brazilian Supreme Audit Institution (TCU) continues to demonstrate its ongoing commitment to a more strategic and agile state, providing oversight, insight and foresight through its audit work.

The “Partners for Good Governance: SAI oversight, insight and foresight” report, led by TCU, sheds light on the efforts of leading Supreme Audit Institutions (SAIs) to improve the development and delivery of better policies. Through a range of audit activities, including interactions with the Centre of Government, SAIs in the study are leveraging their objective and cross-cutting perspective to promote good governance. Yet, there is an untapped potential to further integrate SAI work into the policy cycle and improve collaboration between the Executive and Legislative branches of government. OECD’s study presents findings and examples from 10 prominent SAIs that demonstrate how this can be achieved, at a time when governments are expected to deliver more for less.

The study provides important findings and examples to the TCU and other public institutions, which demonstrate their critical role in assessing the effectiveness and efficiency of processes and institutions responsible for delivering policies and programmes. The contributions of SAIs to the study reflect three key areas: oversight, insight and foresight. Examples include the assessment of internal control (oversight), mapping of duplication and overlap across government in key areas (insight) and assessment of long-term strategic planning processes (foresight).

Moreover, the report provides a basis on how the TCU can leverage its existing expertise to provide timely, accessible and relevant work. The ongoing collaboration will continue to take a whole-of-government approach, including perspectives of the Executive, Legislature and Civil society – a critical component of the New Approach to Economic Challenges (NAEC) initiative.

www.oecd.org/gov/ethics
www.oecd.org/governance/budgeting
Social inclusion has been one of the major priorities of the Brazilian government and its policies have strongly reduced poverty and inequality. From 1990 to 2009, the country lifted 25 million Brazilians out of poverty. However, with the recent economic downturn, Brazil will have to intensify its efforts to keep promoting social inclusion and development.
Creating jobs

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

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 2015 edition contains a special focus on job quality in emerging economies. A key finding in the case of Brazil is that despite low unemployment, labour market insecurity is relatively high due to low effective insurance for the unemployed. Also, despite improvements in recent years, reducing informal employment remains an important challenge in Brazil.

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

www.oecd.org/employment
www.oecd.org/youth.htm

“The OECD report is a valuable contribution to Brazil, at a time where we are preparing ourselves to deepen our efforts to face the historical challenge of creating better jobs for men and women and, as a central element of a broader strategy to fight poverty and reduce social inequalities.”

Manoel Dias, Former Minister of Labour and Employment, October 2013, Brasilia, Brazil
The Brazilian government has made the fight against poverty and inequality one of its main priorities. Its efforts have been rewarded with strong results in this area; however, there is a need for a new generation of social policies addressing informality and coverage of services throughout the Brazilian territory.

Income inequality in Brazil is among the highest in the world. However, Brazil’s commitment to solving this deep-rooted social problem has brought results. Over the past decade, for instance, extreme poverty dropped from 23.2% to 5.9% and almost 50 million Brazilians have moved into the middle class. Despite these efforts, the social divide remains significant and needs to be monitored closely.

Public social spending in Brazil, at just over 15% of GDP, is the closest to the OECD average (22% of GDP) amongst emerging economies. Public spending on pension benefits amounts to at least 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. Compared to public spending on pensions, 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. Important challenges remain nonetheless.

Good progress is being made in including Brazil in different OECD databases related to social well-being. Health data on Brazil are available through OECD Health Statistics and the flagship publication Health at a Glance. Indicators covered range from life expectancy and maternal health to health care expenditure and activity.

Brazilian data is also included in the OECD Pension models, as published in Pensions at a Glance in Latin America and the Caribbean and the forthcoming OECD Pensions at a Glance 2015, and is progressively being included into the OECD Social Expenditure database. The OECD will include Brazil in the next release of its Income Distribution Database; estimates for Brazil are based on the National Household Sample Survey (PNAD) and integrated with the Brazilian tax-benefit micro-simulation model (BRAHMS).

The Territorial Review of Brazil shows that Brazil has the opportunity to achieve sustained economic growth coupled with a reduction in social and regional disparities. The review suggests that social programmes targeting the poor need to be complemented with policies aimed at generating local sources of new employment and growth. The effectiveness of the government’s poverty reduction programmes could be increased if they were combined and coordinated with regional policies.

www.oecd.org/social/inequality.htm
www.oecd.org/regional/regional-policy
www.oecd.org/els/health-systems/
health-data.htm
www.oecd.org/eco/surveys/
economic-survey-brazil.htm
Implementing effective policies requires evidence that is comprehensive, tailored to a country’s needs and internationally comparable. Through its engagement in the OECD’s work on education and skills, Brazil has become part of a global community that shares experiences and exchanges best practices in the development of education and skills policy.

The OECD’s Programme for International Student Assessment (PISA) assesses the extent to which 15-year-olds can apply skills and knowledge to real-life situations. Having participated in PISA since the first round in 2000, Brazil has seen the largest performance gains among PISA participating countries in all areas of assessment, especially mathematics. However, as of 2012, Brazil’s PISA performance is still below the OECD average and reveals persistent issues of quality and equity in the education system. The government’s stated goal is to reach the OECD average PISA scores by 2021. This demonstrates Brazil’s use of PISA data to actively drive education reforms that address high dropout rates and ensure that students have acquired basic skills.

As Brazil prepares for PISA 2015, it is the only non-OECD country to have Associate Member status on the PISA Governing Board and currently serves as the Board’s Vice-Chair. As such, it plays an important role representing the needs and concerns of middle-income economies. Brazil also contributed to the conceptualisation of PISA for Development (PISA-D), an initiative that enhances the relevance of PISA to better fit the context of developing countries.

Brazil also participates in the OECD’s Teaching and Learning International Survey (TALIS), which analyses the working conditions of teachers to inform policies for better teaching.

“We are signing up PISA and we know the responsibility of this challenge. We have several other important partnerships with the OECD, including Talis, which is the international research on teaching and learning that primarily examines the learning environment and the working conditions of teachers in schools.”

Aloizio Mercadante, Minister of Education
Results from TALIS 2013 revealed that despite having more teaching days than peers in OECD countries, the minimum starting salary for teachers in Brazil (USD 10,375) is only one third of the OECD average.

From a labour market perspective, weak learning outcomes have contributed to a challenging school-to-work transition for Brazilian youth. In 2012, the proportion of 15-19 year-olds who were Not in Education, Employment or Training (NEET) was nearly double the OECD average of 7.2%. The Brazilian government has set the goal of tripling the number of students enrolled in Vocational Education and Training (VET) over the next decade to help ease the entry into the labour market and provide youth with more learning opportunities.

Brazil is also engaged in the OECD’s innovative work on understanding and measuring important 21st century competencies, such as social and emotional skills. After the successful launch of the ‘High Level Policy Forum on Skills for Social Progress’ jointly hosted by the Brazilian government, Ayrton Senna Foundation and OECD in Sao Paulo in March 2014, a number of Brazilian cities are currently exploring participation in the new international longitudinal study. Following the lives of children from Grade 1 until early adulthood, the project aims to develop a better understanding of how social and emotional skills can drive lifetime success in education, the labour market, and society.
Along with social and regional inequalities, the gender gap in Brazil has declined in recent years, though there is still much to be done.

Gender gaps are pervasive in all walks of economic life and imply large losses in terms of foregone productivity and living standards to the individuals concerned and the economy. *Closing the Gender Gap - Act Now* focuses on how best to close these gender gaps and specific analysis is presented for Brazil across the report. A country note in Portuguese and English explores poverty and income inequality as key social policy concerns in relation to gender.

In May 2013 the OECD adopted the Recommendation on Gender Equality in Education, Employment and Entrepreneurship, highlighting policy principles and mechanisms through which Member countries can tackle gender disparities. The Recommendation also encourages the collection, production and development of timely and internationally comparable gender-sensitive data and indicators. The OECD Gender Data Portal includes international data and analysis on gender inequalities in education, employment and entrepreneurship. Brazil is already included in the OECD Gender Data Portal wherever comparable data is available.

Discriminatory social norms and institutions are an important brake on 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. Over the past few decades, Brazil has promoted women’s rights and addressed barriers to gender equality through legal reforms and initiatives aimed at changing social norms. Brazil’s strong performance in the SIGI reflects its robust legal framework to protect women’s and girls’ rights in the family. For example, women and men are accorded equal parental authority in the household and there are low rates of early marriage (4%). Brazil boasts comprehensive legislation protecting women from violence such as the “Maria da Penha Law on Domestic and Family Violence” (2006). Nonetheless, violence against women 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 9% of parliamentary seats.

“The (Closing the Gender Gap) report is indeed a wake-up call. But its main goal is to propose policy options to rise to the challenge. Gender inequality has many different roots, including and importantly in social norms and practices, as shown by our SIGI Index. But inequality also stems from flawed policies, economic incentives, laws and regulations. And we can impact and influence policies. This is our raison d’être at the OECD. Our report is thus about solutions, about policy measures that work. They exist and they do make a difference.”

Angel Gurría, Secretary-General, OECD.

www.oecd.org/gender/
C-MIN(2013)5-ENG.pdf
www.oecd.org/gender/data
www.genderindex.org
Measuring better lives

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 Well-Being is a biannual report. As the flagship report of the OECD’s 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 third edition of How’s Life?, was released in October 2015 and includes in-depth studies of three cross-cutting issues: child well-being, volunteering and its relation with well-being, and well-being at a regional level. 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
http://oe.cd/how-is-life

© Launch of the Portuguese version of its Better Life Index in Portuguese with football legend Pelé and Aldo Rebelo, Minister of Science Technology. São Paulo, Brazil, June 2014.
Como vai a vida?

O que importa para a maioria das pessoas?

OECD Better Life Index
Now available in Portuguese!

www.oecdbetterlifeindex.org/pt/
Technology and innovation have been a major source of economic growth. The IT revolution has made it all the more important for countries to have a modern and state-of-the-art industrial sector. With more than 1% of GDP invested in research and development, Brazil is building a knowledge-based economy.
Building a knowledge-based economy

Innovation provides the foundation for new businesses, new jobs and productivity growth and is thus an important driver of economic growth and development. Brazil understands and exploits the potential of innovation policy in fields such as health and digital inclusion.

The OECD develops evidence-based policy advice on the contribution of science, technology and innovation to well-being and economic growth. Since 2007, Brazil has been an active Participant in the OECD Committee for Scientific and Technological Policy (CSTP). Brazil is included in the OECD Science, Technology, and Industry Outlook 2014, and the OECD works particularly closely with Brazil on issues related to the bio economy.

On the industry side, Brazil’s Instituto de Pesquisa Econômica Aplicada (IPEA) is involved in projects to study firm-level employment and productivity dynamics (DYNEMP and MULTIPROD). In July 2015, IPEA also hosted a workshop together with the OECD and the World Bank on Innovation and Productivity in Brazil, which was attended by key stakeholders. A report based on the workshop and pointing to key priorities for Brazil is due out in 2015.

The Committee on Digital Economy Policy (CDEP) closely collaborates with the Brazilian Centre of Studies on Information and Communication Technologies (CETIC) and works with Brazil as a key partner in a joint project with the Inter-American Development Bank (IDB) that aims to develop policies in Latin America and the Caribbean to accelerate broadband roll-out and adoption. Brazil also actively participates in the CDEP project on “Benchmarking of Information and Communication Technologies in Health Systems”, a multi-stakeholder initiative to improve the availability and quality of health ICT data and indicators, and is featured in the OECD Digital Economy Outlook 2015.

Building on good cooperation with Brazil in the area of Internet governance, the OECD continues to engage with relevant Brazilian stakeholders in the context of the Internet Governance Forum, hosted in João Pessoa in November 2015.

www.oecd.org/sti/ict
www.oecd.org/sti/stpolicy
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.

The Brazilian steel sector is facing challenges such as the impacts of global excess steelmaking capacity, steel trade disturbances, and cost pressures that are affecting the competitiveness of Brazilian steel producers and their clients. Brazil is working closely with other members of the OECD Steel Committee to address these and other challenges.

The OECD Steel Committee has enjoyed a long and fruitful relationship with Brazil, which participates actively in the Committee’s discussions as an Associate and serves as Vice-Chair. In fact, this was the first committee that Brazil joined in early 1990s. Brazil joins other members of the Steel Committee in discussing ways to address excess capacity in the global steel industry, which is weighing heavily on the financial performance and viability of steel producers in Brazil and elsewhere in the region, trade problems in steel and market-distorting policies, productivity and the competitiveness of steel producers, as well as energy efficiency and environmental challenges facing the steel sector.

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

www.oecd.org/sti/steel.htm
www.oecd.org/sti/ind/steelcapacity.htm
Since 1970, the size of the world economy has more than tripled and the population has increased by over 3 billion people. This unprecedented growth record has brought prosperity and better life conditions for millions of people; notwithstanding, it has been accompanied by environmental pollution and natural resource depletion. Without action, the current growth model could ultimately undermine human development.
Promoting sustainable development

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 OECD Environmental Outlook to 2050 provides analysis of economic and environmental trends and simulations of policy actions at the global level to address the key challenges in four priority areas: climate change, biodiversity, water and health impacts of pollution and environmental damage. As Key Partner countries, Brazil, India and South Africa actively participated in some of the preparatory meetings for this report.

OECD Environmental Performance Reviews (EPRs) provide evidence-based analyses of countries’ progress towards their environmental policy objectives. They identify good practices and make targeted recommendations to help countries improve their environmental performance. Each EPR cycle covers all OECD member countries and selected partner countries.

The first OECD Environmental Performance Review of Brazil evaluates the country’s progress towards sustainable development and a green economy, with a focus on biodiversity conservation and sustainable use and the 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 report discusses the persisting pressures on the environment and how addressing them can bring about economic opportunities. It is a matter of securing sufficient financial and human resources, ensuring effective policy implementation and enforcement, and improving horizontal and vertical co-ordination. The review identifies 53 recommendations to help Brazil enhance environmental policy coherence, effectiveness and efficiency.

www.oecd.org/environment/outlookto2050
www.oecd.org/env/countryreviews
Brazil has made remarkable progress in water resource management over recent decades. Ambitious reforms have shaped Brazil’s water policies. Stronger governance and more robust water allocation regimes could enhance the sustainability of these policies.

The OECD report *Water resources governance in Brazil*, launched in September 2015, 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 also focuses on the National Water Management Pact as a tool to enhance integration between federal and state water resources systems.

The report is the result of an 18 month policy dialogue with the Brazilian National Water Agency (ANA) and over 100 stakeholders. In depth analyses of Rondônia in the Amazon region, Paraíba in the semi-arid Northeast, and Rio de Janeiro in the Southeast, showcase the diversity in the water governance system.

A multi-stakeholder taskforce was set up by the National Water Agency, in close co-operation with water-related ministries, to follow-up with implementation of the policy recommendations.

Brazil is one of the 13 Latin American countries surveyed in the 2012 Report *Water Governance in Latin America and the Caribbean: a Multi-level Governance Approach*. The National Water Agency and the Ministry of Environment of Brazil are members of the OECD Water Governance Initiative, a multi-stakeholder network meeting twice a year in a Policy Forum.

[www.oecd-ilibrary.org/content/book/9789264187894-en](http://www.oecd-ilibrary.org/content/book/9789264187894-en)
[www.oecd.org/gov/water](http://www.oecd.org/gov/water)
[www.oecd.org/water](http://www.oecd.org/water)
Brazil is at the leading edge of deepwater and low-carbon energy development. A consistent and integrated energy strategy – focusing on efficiency as well as supply – is key to reaping long term benefits.

Brazil and the IEA have established ever closer co-operation since 2006, including the signature of bilateral two-year work programmes at the IEA Ministerial meetings in 2011 and 2013. Key joint achievements include the joint publication of the Global Hydropower Technology Roadmap and the Special Section on Brazil in the World Energy Outlook 2013. The IEA’s annual World Energy Outlook incorporates the latest data and projections of energy demand, production, trade and Investment, until 2040.

The 2014 edition of the World Energy Outlook gives a comprehensive and authoritative analysis of medium- and longer-term energy trends, including energy demand and supply projections for Latin America and strategic insights into their meaning for energy security, the economy, and the environment. The 2014 report focuses in-depth on nuclear power and includes a regional focus on sub-Saharan Africa (following on from the Brazil focus in the 2013 edition), updating the regular outlooks for 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 & Tobago, Uruguay and Venezuela. The book also provides regional data for non-OECD countries in Latin America.

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. Currently the country is leading cutting-edge analysis on the greenhouse gas emissions from hydropower reservoirs. Brazil is also active in the International Low-Carbon Energy Technology Platform which organises thematic dialogue workshops to bring together international, regional or national stakeholders with technology experts and publishes ‘How2Guides’ to assist countries in developing and implementing energy technology roadmaps. In November 2014, Brazil hosted a How2Guide for Bioenergy Drafting Workshop in Sao Paulo, Brazil.

The newest Energy Balances of Non-OECD Countries (2015), 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 & Tobago, Uruguay and Venezuela. The book also provides regional data for non-OECD countries in Latin America.

www.iea.org
www.worldenergyoutlook.org
www.iea.org/aboutus/affiliatedgroups/platform/how2guides/
http://www.iea.org/statistics
Enhancing nuclear energy and other applications

**Used safely, nuclear energy provides a powerful tool for environmentally sustainable societies.**

The Nuclear Energy Agency (NEA) is a specialised agency within the OECD that assists its 31 member countries in maintaining and further developing the scientific, technological and legal bases required for the safe, environmentally friendly and economical use of nuclear energy for peaceful purposes. The Agency’s membership accounts for approximately 86% of the world’s nuclear electricity generating capacity.

Brazil has two nuclear power reactors which provide about 3% of the country’s electricity, a third reactor is under construction and additional reactors are under consideration. Its nuclear activities include both uranium enrichment and nuclear fuel fabrication. Brazil has the eighth largest uranium ore reserve in the world.

Following the 2011 Fukushima Daiichi nuclear power plant accident, all NEA member countries using nuclear power carried out comprehensive safety reviews of their nuclear power plants. In Brazil, similar reviews were conducted and gave rise to the Eletrobras-Eletronuclear Response Plan to the Fukushima Accident. It includes over 50 initiatives on Protection against Hazardous Events, Reinforcement of Cooling Capability and Mitigation of Radiological Consequences.

In another area of nuclear applications, Brazil participates in the work of the NEA High-level Group on the Security of Supply of Medical Radioisotopes, contributing to global efforts to ensure a reliable supply for patients worldwide. A Joint Declaration on the Security of Supply of Medical Radioisotopes has been issued under NEA auspices and it is hoped that, in addition to NEA member countries, Brazil will also adhere.

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 is carrying 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 ensures the Technical Secretariat for the International Framework for Nuclear Energy Co-operation (IFNEC) in which Brazil participates as an observer.

Brazil has made remarkable progress on 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 is an adherent 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 of National Competent Authorities, fighting illegal international trade of pesticides.

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 to air, water and soil.

Brazil is the second largest producer of transgenic crops after the United States. According to the International Service for the Acquisition of Agro-biotech Application (Isaaa), Brazil had up to 42.2 million hectares of cultivation area of transgenic crops in 2014. Since 2003, Brazil has played an active role in the OECD’s activities related to the safety of transgenic crops, which cover 1) environmental biosafety; and 2) the safety of novel food and feeds. Given its extensive expertise, Brazil has either co-led or participated in the preparation of a number of documents addressing biosafety concerns for crops such as cassava, common bean, cowpea, papaya, sugarcane and sweet potato. Recently, Brazil has taken on the responsibility for co-leading a new project on the biology of mosquito Aedes aegypti for use in the control of mosquito-borne diseases e.g. dengue fever.

www.oecd.org/env/ehs/mutualacceptanceofdatamad.htm
www.oecd.org/env/ehs
www.oecd.org/chemicalsafety/ biotrack
www.oecd.org/chemicalsafety/ biotrack/latestdocuments
The world economy has evolved rapidly, with the rise of new players in an increasingly interconnected context. Policy dialogue and co-ordinated actions will be essential to effectively tackling emerging global challenges. Brazil is playing a leading role in this process, both regionally and internationally.
Partnering with Latin America

As is the case for Brazil, countries across Latin America have recently experienced an important cycle of economic growth, which has helped significantly reduce poverty levels. However, the global context has changed and the region will have to implement reforms to boost productivity growth.

Over the years, the OECD and Latin America and the Caribbean (LAC) region have continued to strengthen their co-operation. Mexico has been an OECD member since 1994, with Chile joining in 2010; Colombia and Costa Rica are in the process of accession; Brazil is an active Key Partner; and Peru is undertaking a whole-of-government Country Programme. All of these countries – as well as Argentina, the Dominican Republic, Panama and Uruguay – are members of the OECD Development Centre.

Brazil has been an active participant in the policy networks that the OECD has established with the region since the early 2000s. These networks foster policy dialogue among policy-makers in the region and from OECD countries on issues ranging from corporate governance, investment, and competition, to the fight against corruption, fiscal and budget issues, innovation, and water governance.

More recently, the Organisation is intensifying its collaboration with the Latin America and the Caribbean Region in view of supporting the region’s key priorities, such as increasing productivity, advancing inclusion, and strengthening governance.

The OECD publishes numerous publications on Latin America which include data and analysis on Brazil, with a regional perspective:

- **Revenue Statistics in Latin America and the Caribbean** is jointly published by the OECD, ECLAC, the Inter-American Centre of Tax Administrations (CIAT) and the Inter-American Development Bank (IDB). The 2015 edition presents internationally comparable data on tax revenues for 20 Latin American and Caribbean economies and the OECD average, including Brazil.

- **Government at a Glance: Latin America and the Caribbean** includes more than 30 indicators that compare the relative performance of governments in the LAC region and benchmark against OECD countries.

- **Latin American Economic Outlook**, a joint publication with the Economic Commission for Latin America and the Caribbean (ECLAC) and the Latin American Development Bank (CAF), explores the main development challenges of the region. The 2015 edition focused on the role of education, skills and innovation for development. The 2016 edition analyses the evolving relationship between Latin America and China in the areas of trade, finance and skills.
Partnering with Latin America

- **Water Governance in Latin America and the Caribbean: a Multi-level Governance Approach.** Brazil is among the 13 Latin American countries surveyed in the report, which addresses multilevel governance challenges in water policy and identifies good practices for co-ordinating water across ministries, between levels of government, and across local and regional actors.

- **Open Government in Latin America** is a regional stocktaking of open government strategies and benchmarks performance against good international practices. It was conducted with the Open Government Partnership (OGP).

- **Pension at a Glance: Latin America** is a comprehensive examination of pension systems in Latin America and the Caribbean. It looks at recent trends in retirement and working at older ages, evolving life expectancy, design of pension systems, and pension entitlements before providing a series of country profiles. It includes a focus chapter analysing the coverage and adequacy of Latin American pension systems.

[www.oecd.org/latin-america](http://www.oecd.org/latin-america)
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. In turn, Brazil can take advantage of OECD experience and expertise as it works to improve its development co-operation frameworks.

According to the latest figures published by the Brazilian government, Brazil’s total development co-operation reached USD 923 million in 2010. 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.

Collaboration between the OECD and Brazil in the area of development co-operation continues to expand. Brazil has attended several DAC senior and high-level meetings. Brazil contributed to the OECD Surveys on Triangular Co-operation in 2012 and 2015. Former President Luiz Inácio Lula da Silva contributed a chapter to the Development Co-operation Report 2013: Ending Poverty.

Brazil and OECD have partnered on anti-corruption in development co-operation organising a symposium in Paris in 2014 as well as a side event to the UN Convention against Corruption Conference of State Parties in 2015. In 2011, Brazil endorsed the Busan Partnership for Effective Development Co-operation which sets out shared principles, common goals and differential commitments for improving the effectiveness of development co-operation. Brazil subsequently participated in the First High Level Meeting of the Global Partnership for Effective Development Co-operation in Mexico City in 2014.

www.oecd.org/dac


Scan to read the chapter contributed by Brazilian former President Luiz Inácio Lula da Silva
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 and rules-based globalisation process.

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 and green growth, financing for investment, financial sector reform, framework for strong, sustainable and balanced growth, taxation, and trade and investment.

In particular, Brazil has shown interest and leadership in tax-related issues addressed by the G20 with OECD’s support. The work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, hosted by the OECD, has been critical in achieving the remarkable progress registered in the realm of international tax transparency. Brazil has been an active member of the Global Forum since September 2009. Brazil plays an active role in both the Steering Group and the Peer Review Group of the Global Forum. It is also a signatory of the Convention on Mutual Administrative Assistance in Tax Matters and, since 2013, Brazil is an Associate of the Base Erosion and Profit Shifting project.

The OECD has also been an active 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. In the G20 context, Brazil has actively supported the establishment of the Agricultural Market Information System (AMIS) and of its associated Rapid Response Forum, which was launched by G20 Leaders at the Cannes Summit in 2011. Furthermore, the G20 Leaders in the St Petersburg Declaration emphasized the importance of boosting agricultural productivity in a food security strategy. In this regard and in response to a call by G20 Vice-Ministers of Agriculture in May 2012, the OECD has developed a framework for analysis of policies to increase agricultural productivity sustainably with strong emphasis on innovation as the catalyst. Brazil was one of the three G20 pilot countries to which this framework was applied in 2014—the other two being Australia and Canada. Finally, in order to support the G20 work on phasing out inefficient fossil fuels, the OECD has prepared an Inventory of Support Measures for Fossil Fuels in Brazil, which was released in September 2015. The study has benefited from the feedback and input from Brazil.

www.oecd.org/g20/
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 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.

The Emerging Markets Network (EMnet) counts one Brazilian member company active at a global level: Odebrecht, pursuing business in the fields of engineering, construction, chemicals and petrochemicals

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 two founding members and associates from the country: Instituto Ayrton Senna and the Worldwide Initiative for Grantmaker Support (WINGS).

In addition, parliamentarians from the region are becoming increasingly involved in the OECD Global Parliamentary Network, which aims at facilitating dialogue amongst parliamentarians on the enacting and implementation of reforms. Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador and Mexico have all taken part in meetings of the Network.

www.tuac.org
www.biac.org
www.oecd.org/dev/oecdemnet.htm
www.oecd.org/site/netfwd
www.oecd.org/parliamentarians

© Building trade union capacity. IMF, IUF and TUAC join forces on OECD guidelines training, Casablanca, 24-26 January 2012. © TUAC
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 Decisions 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 within 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 26 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

**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

**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

**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

**International Investment & Multinational Enterprises**
Declaration on International Investment and Multinational Enterprises, and its related recommendations:
- 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

**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)
Annexes

Brazil’s participation in OECD Bodies, projects and related activities

**With associate (full rights) status:**
- Programme for International Student Assessment Governing Board (PISA)
- Steel Committee
- Working Group on Bribery in International Business Transactions (WGB)
- Governing Board of the Development Centre
- Investment Committee meeting in enlarged session [IC(D)] for work related to the Declaration on International Investment and Multinational Enterprises and related Instruments / Only participant in the Investment Committee
- MAD-related bodies [Joint Meeting of the Chemicals Committee and the Working Party on Chemicals, Pesticides and Biotechnology]
- Project on Base Erosion and Profit Shifting (BEPS)
- “Freedom of Investment” (FOI) Project of the Investment Committee
- Global Forum on Transparency and Exchange of Information for Tax Purposes

**With participant (former observer) status:**
- Participant in the Centre for Educational Research and Innovation Governing Board (CERI GB)
- Committee for Digital Economy Policy (CDEP)
- Committee for Industry, Innovation and Entrepreneurship (CIIE)
- Committee for Scientific and Technological Policy
- Competition Committee
- Public Governance Committee (PGC)
- Regulatory Policy Committee (RPC)
- Trade Committee except the Working Party on Export Credits and Credit Guarantees (Invitee)
- Committee for Agriculture and its subsidiary bodies except the Joint Working Party on Agriculture and the Environment (Invitee)
- Working Party on Consumer Product Safety of the Committee on Consumer Policy
- Committee on Statistics
- Investment Committee
- Working Party on Private Pensions
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For news and information about OECD work and events with Brazil www.oecd.org/brazil
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, 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.