

BRAZIL

Dear Director-General,

I have the honour to acknowledge receipt of your letter dated June 14th, 2007, which requests that Brazil undertakes a self-assessment of its Aid-for-Trade activities as a donor.¹ I am confident that the attached data will provide you the elements that you ask for in the questionnaire attached to your letter. Allow me, however, to bring to your attention a few general remarks that I deem indispensable to a fuller understanding of the aid for trade issue from a broader perspective.

Brazil has always held the issue of development as a central priority. We are convinced that development is not only an inalienable right of our society, but also the best way to achieve a more balanced world order. It is from this perspective that President Lula da Silva has launched several initiatives geared precisely to giving a concrete dimension to this right and this roadmap.

In this context, Brazil strives to develop South-South cooperation programs, on the basis of mutually beneficial relationships. In our region, the ultimate objective of those programs is either to foster physical interconnection or to contribute to social and economic development of partner countries.

Considering the novelty of this self-assessment exercise, the Brazilian Agency for Cooperation (ABC) and other Government agencies have undertaken an effort aimed at selecting our cooperation activities that are bound to result in the promotion of trade in partner countries and quantifying them in a manner that fits the proxies of the Donor Report System associated with the WTO/OECD Aid-for-Trade accounting exercise.

To that effect, an assessment was made of the relationship between the amount actually disbursed by the Brazilian Agency for Cooperation and the estimated value of the technical cooperation services provided by the Agency in each project. That assessment was carried out on the basis of a study of the Brazilian South-South technical cooperation undertaken by the United Nations Development Program (UNDP) in 2005. The study indicated that each dollar actually spent by ABC in a technical cooperation project corresponded to 15 dollars worth of technical and consultancy services provided to the recipient country. The results are attached together with a list of technical cooperation activities carried out in the last five years. I believe the data provided reflect the priority Brazil attributes to providing development aid – with trade enhancing effects in particular – in the context of South-South cooperation.

It is worth highlighting that, given the structural bilateral trade surplus that Brazil maintains with a number of countries in the South American region, we have developed a specific program to promote Brazilian imports from those countries. We have also engaged in providing technical cooperation to

1. Brazil's submission was accompanied by a 17 page annex in Portuguese detailing all of Brazil's technical cooperation projects in the area of aid for trade between 2003 and 2006. This project list is available on demand – please contact WTO-OECD.Questionnaire@oecdshare.oecd.org

help establishing in other developing countries, at their demand, trade programs that were successful in Brazil, like, for instance, the program of simplified exportation through post offices, directed to small exporters.

Other activities with trade enhancing effects are those related to technical cooperation that contribute to the enhancement of productive capacity and to the increase of exports of recipient countries. Brazil provides technical assistance to countries in Latin America and Caribbean as well as Africa, in the fields of agriculture and bio-fuels, for instance, which would promote the exporting capacity of recipient countries. The emphasis of Brazilian technical cooperation policy is also placed on the social development dimension. Issues that cover, *inter alia*, education, health, fighting poverty, vocational training, sustainable development, e-government and electronic voting are at the core of Brazilian technical cooperation activities. The transfer of technical knowledge and experience from Brazil to its cooperation partners occurs on a non-commercial basis, and envisages the promotion of recipient countries' autonomy.

Brazil also seeks to strengthen developing countries' negotiating knowledge and skills through the organization of courses about trade policy and trade negotiations. One such event took place in Geneva between October 31st and November 11th, 2005, in coordination with UNCTAD and the WTO. The course was offered to trade officials of African countries from the CPLP ("Comunidade de Países de Língua Portuguesa", an organization congregating all Portuguese-speaking countries). Officials from Angola, Cape Verde, Guinea Bissau, Mozambique, East Timor and São Tome and Príncipe took part in the event. Likewise, the Brazilian Government organized a course on the WTO dispute settlement system for officials of South American countries. The course took place in São Paulo from December 4th to 8th, 2006 and had the participation of representatives from Argentina, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

Regarding the Cotton Initiative, one of the critical issues of the Doha Round, Brazil was able to organize a visit from representatives of Burkina-Faso, Mali, Tchad and Benin to the "Brazilian Agricultural Research Company" (EMBRAPA) last May, when they had the opportunity to get acquainted with the Brazilian program for harvesting and processing of cotton. EMBRAPA has already developed some capacity building projects in Benin and Mali, including the technical training of African officials. Furthermore, in 2006, EMBRAPA has opened an office in Accra, where a team of researchers has been carrying out surveys and providing assistance to various African countries.

An impact on trade is also expected from many of the actions under the "Fund for Structural Convergence of Mercosur (FOCEM)", established on June 19th, 2005, which focuses on tackling the development asymmetries in the block. Since the projects are still on early implementation phase, the amounts involved are not included in the reported data. I would like, nevertheless, to inform that in the first year of implementation of FOCEM, Brazil contributed U\$ 35 million. That amount was increased to U\$ 52,5 million in 2007 and will reach U\$ 100 million in 2008 when the full implementation of the fund will be completed.

Finally, Brazil is involved in a number of exercises relating to the promotion of infrastructure in Latin America and the Caribbean that provide an important incentive to the expansion of trade among the countries in the region and improve their competitiveness in the perspective of a better world trade insertion.

I conclude by reaffirming our commitment to the aid-for-trade activities being developed by WTO and encourage you to pursue, with the usual energy, the attainment of the objectives of the exercise.