

QUESTIONNAIRE FOR SOUTH-SOUTH COOPERATION

1. What are the main objectives and elements of your South-South Cooperation policy?

In recent years, the South has become a major player in world economy. Since the 1980's, its share in world manufacturing value added has almost doubled, and South-South trade has rapidly increased. The rise of the South stimulates South-South cooperation, which is now an important item of the bilateral diplomatic agenda of developing countries. SSC is no longer an isolated mechanism of exchange with limited impacts. It is rather a most relevant instrument for achieving the Millennium Development Goals and promoting global interdependence.

The Brazilian International Technical Cooperation (ITC) is not "aid". It is a demand-driven process, based on the solidarity between developing countries, with non-profit purposes, and aimed at helping our partners to strengthen their institutions and human resources.

The main goal of the Brazilian South-South cooperation is capacity development. We strongly believe that partner countries can benefit from an effective transfer of knowledge, and from the exchange of experiences previously developed under similar socioeconomic realities.

2. Do you specifically address TRADE-RELATED activities in your overall Cooperation policy?

Yes, we have an articulated AID FOR TRADE strategy.

Various trade-related elements are part of our Cooperation policy.

As mentioned above, the main objective of the Brazilian ITC is to foster development, which may include trade activities, without turning them into the final goal.

Brazilian ITC can be divided into two main fields. The first one related to social policies and working conditions. And the second, concerning economic sectors, such as agriculture, fishing, infrastructure, energy, mining, training, science and technology and industrial capacity. Besides, Brazil is also engaged in promoting Trade and Finance, through the implementation of a debt relief program.

In our geographic neighborhood, Brazil finances infrastructure projects, with a view to promote regional integration and to help reducing transport costs for landlocked countries. Brazil also provides capacity building in trade-related areas, such as: trade barriers; trade negotiations; legal framework; standards; sanitary and phytosanitary measures; business support services; banking; and market regulation.

3. In which of the following trade-related cooperation categories are you particularly active?

Trade Policy and Regulations:

Building Productive Capacity:

Trade Policy Analysis, Negotiation and Implementation

Competitiveness

WTO Accession costs

Trade Facilitation

Export Diversification

Economic Infrastructure:

Regional Integration

Other, please describe: Biofuels production, mainly in Africa.

4. Which are the most important factors for determining your trade-related cooperation activities? *[Please feel free to tick more than one box]*

- Relevance to ongoing multilateral/regional/bilateral trade agreements/negotiations
- Regional proximity/support to neighbouring regional economic integration processes
- Economic, cultural, linguistic or historical ties
- Request for assistance from the partners or regional body
- Other, please describe:

5. How important is the regional dimension in your trade-related cooperation strategy?

Essential Important Minor Not present Not sure/not applicable

Multilateral Dimension

Technical cooperation among the members of Mercosur favors the exchange of knowledge and serves as a stimulus for the development of new techniques more suitable to the needs of the economic bloc. It also helps to promote the basic goals of Mercosur, since it fosters innovation, diversifies the offer of goods and services and facilitates the adoption of common procedures and quality standards. Thus, in Mercosur, technical cooperation is a means to facilitate the circulation of goods, people and services, resulting in a more solid socioeconomic integration.

In 2004, CMC Decision ° 45/04 established the Fund for Structural Convergence (FOCEM), whose main objective is the reduction of the asymmetries among Mercosur's countries. Brazil is the major contributor to the Fund. Since 2006, the Brazilian Government has made annual contributions of USD 70 millions, which represent 70% the funds received by FOCEM. In the XXXVI Meeting of the Council of the Common Market, held in Salvador, 12/15/08, President Lula announced that Brazil is free willingly committed to double its contributions.

The Initiative for the Integration of Regional Infrastructure in South America (IIRSA) is another cooperation program in which Brazil actively participates. IIRSA is a dialogue forum among the South American countries that seeks to promote the development of transport, energy and telecommunications infrastructure from a regional perspective, aimed at the physical integration of the twelve South American countries and the achievement of an equitable and sustainable territorial development pattern.

Bilateral Dimension

To diminish the imbalance in trade with Latin American countries, and to stimulate trade relations with the countries in its vicinity, Brazil has launched the "Programa de Substituição Competitiva de Importações" (Program of Competitive Substitution of Imports). Brazilian experts are sent in missions to Latin American countries, so as to promote seminars and technical training on how to export to Brazil. The local enterprises receive indications on trade opportunities and Brazilian entrepreneurs have the opportunity to identify local suppliers. The missions are usually composed of diplomats, government officers from trade-related areas and businessmen. Recently, seminars were organized in three lower-middle-income-countries: Ecuador, Bolivia and Peru.

The "Exporta Fácil" project builds upon the successful experience of the program "Exports through Postal Services System", implemented by the Brazilian Government. The use of postal services, which provide logistic services for exportation, has both facilitated exportations and strenghtened South American postal infrastructure.

In this context, in February 2007, Peru signed a cooperation program with Brazil and has fully implemented the "Exporta Fácil". Brazil and Peru now work together to implement the program in Uruguay- to be launched in March 2009. Brazil is also expecting to extend the "Exporta Fácil" to at least 3 Latin American countries this year.

6. Do you have a specific approach to triangular cooperation¹?

Yes No Not sure/not applicable

If yes, what are its key elements or particular focuses? Please describe and exemplify the range of activities undertaken.

Concepts and approaches:

For Brazil, the bilateral South-South cooperation (SSC) comprises two essential elements that can not be dissociated: i) transfer of technology and expertise among developing countries; ii) exchange of information on how that expertise was acquired in the specific circumstances of a developing country. The Brazilian Government believes that these inherent elements of the South-South cooperation should be also an integral part of any triangular cooperation to the benefit of developing countries.

Similar to the bilateral SSC, the Beneficiary-country and the Partner-country shall work together in all phases of the triangular SSC project cycle (identification, preparation, implementation, monitoring and evaluation), with the only difference that an international organization/donor country will also participate in the process. However, were a developing country, such as Brazil, is approached solely to provide funds for a project to the benefit of another developing country (as if a "donor country"), such operation would not match the concept of SSC as it is understood by the Brazilian Government. The same understanding applies to the situation in which a multilateral agency/donor country approves a project with a developing country and, later, hires an expert or institution from another developing country to provide short-term consultancy, without the institutional involvement of the related government. The Brazilian Government does not consider the latter as a Triangular SSC, but rather a variation of the North-South cooperation.

Triangular cooperation with the Brazilian participation:

In our vicinity -Latin America and Caribbean- Brazil in association with Argentina carries out a project developed in Haiti, to drill water wells and cultivate vegetables ("truck farming"). This project is an adapted version of an Argentinean project called "Pro-Huerta". Also in Haiti, Brazil is associated with Spain in reforestation; with Canada, in mass vaccination; with the World Bank, in school feeding; with UNFPA, in fighting violence against women; with ILO, in the prevention of child labor; with the Interamerican Institute for Cooperation on Agriculture (IICA), in the area of agriculture; and in the scope of the India-Brazil-South Africa Forum (IBSA), in the collection of solid waste. With the United States of America, a joint effort will be made to increase ethanol production in El Salvador and in the Dominican Republic.

¹ Note: Brazil believes that the concept adopted by UNDP for triangular cooperation is way too narrow, as the triangular cooperation may take place through different arrangements. In most of the triangular initiatives that Brazil is involved, the Brazilian side bears all the financial costs and technical inputs, or share those costs with the third-partner."

In Africa, Brazil has negotiated a project, co-funded by Brazil and Norway, concerning the training of nationals of Angola and Guinea-Bissau on public administration in Brazil. Within the context India-Brazil-South Africa Forum (IBSA), there is a project in agriculture with Guinea-Bissau. With the United States of America, a Memorandum of Understanding (MoU) has been signed about fighting malaria in Sao Tome and Principe and the provision of information technology services for the National Assembly of Guinea-Bissau. Brazil is also negotiating a MoU with Egypt for African countries.

In Asia and the Middle East, Brazil and Indonesia are jointly discussing with authorities of East Timor a project on reforestation. Within the IBSA Forum there are projects on environment (Laos), and social inclusion through sports (Palestinian Territories).

Triangular cooperation initiatives involving regional/multilateral organizations include the partnerships with institutions like UNDP, UNFPA, IICA, ILO, FAO, OHCHR, and others.

7. How do you measure the success of your trade-related cooperation activities? For example, do you use specific monitoring and evaluation guidelines to ensure effectiveness?

In 2006, the Ministry of External Relations issued the Order 717. Under the terms of to this law, the Brazilian Agency of Cooperation (ABC) must follow up the implementation of ITC projects through the analysis of the annual reports of the projects, and with visits or meetings with the entities in charge of the projects.

Information on South-South cooperation projects and activities supported by ABC is stored in two specific databanks (SAP and SGPFIN), wich cointain the profile of each initiative and the financial management of the South-South portfolio.

8. Do you involve your partners in developing measurable objectives/indicators to assess the quality of your programmes?

Yes No Not sure/not applicable

9. How much trade-related cooperation have you provided in 2006 and 2007? *[Please use if possible the categories provided by the WTO Task Force definition² of Aid for Trade.*

² Aid for Trade comprises the following six categories: (a) trade policy and regulations; (b) trade development; (c) trade-related infrastructure; (d) building productive capacity; (e) trade-related adjustment; and (f) other trade-related needs. *[See WT/AFT/1 "Recommendations of the Task Force on Aid for Trade": <http://docsonline.wto.org/imrd/directdoc.asp?DDFDocuments/t/WT/AFT/1.doc>]*

Please include estimates of in-kind activities (e.g. expert exchanges) and provide a breakdown of key partners and activities]

Before indicating how much Brazil has provided for the SSC, it is important to consider that any figures presented by Brazil will underestimate the real value of its ITC. The numbers in this report reflect the cost of the project, without considering the economic value of the expertise transferred.

The set of initiatives that are part of the South-South cooperation of Brazil includes most of the Aid for Trade components identified by the Task Force. However, the monitoring systems used by Brazil do not specifically address AFT initiatives. Hence, the figures that follow represent a general indication of how much has been allocated to each category.

Brazil is implementing a new program to monitor its SSC, which is expected to have a specific category for AFT initiatives.

Estimated numbers indicate that in 2007³, Brazil's disbursed USD 33.7 millions in AFT initiatives. In 2008, these figures reached USD 38.5 million. Besides, since January 2007, Brazil is annually donating USD 70 millions for FOCEM (question no. 5 above).

10. Would you be interested in reporting your trade-related aid to the OECD-DAC Creditor Reporting System so that it can be included in the monitoring of global Aid for Trade flows?

Yes No/Not sure

11. Have your trade-related cooperation activities increased since the launch of the Aid for Trade initiative at the December 2005 WTO Ministerial Conference in Hong Kong?

Yes No Not sure

If yes, please describe below:

If we take into consideration the AFT categories, it would be correct to say that Brazil has increased its trade-related cooperation within the South-South cooperation programmes supported by Brazil since 2005. We can mention, for instance, that since 2006 Brazil has annually contributed with USD 70 millions for the FOCEM.

³ The figures for 2006 were presented in the last report.

12. What are your plans for the next 2-3 years? *[Please describe and quantify when possible]*

Brazil is committed to continue to assist developing countries to take full advantage of market access opportunities. Although the very components of AFT are not specifically addressed by Brazil's ITC, the country will continue to promote its SSC as a means to better equip developing countries to face the developmental challenges that are being further exacerbated by the current economic crisis.