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New Powers for Global Change?

**Challenges for International
Development Cooperation:
The Case of Brasil**

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Brazil is one of the rising powers of the South that initiated an ongoing shift in the axes of global power in the past decade. Its claim to a permanent seat on the UN Security Council and the leading role it plays in the G20 are just two indications of Brazil's strengthened role as a regional power with global ambitions. Brazil's growing importance is also reflected in the country's emergence as a donor of development aid for other developing countries. The present briefing paper analyzes Brazil's "donor profile" and discusses the chances and risks linked with the development activities of the emerging donors and the challenges these activities mean for the international donor community.

1 Rising powers: New actors in the international donor community

The circle of development aid donors has grown in recent years. This is due on the one hand to EU enlargement and on the other to an increase in recent years in South-South cooperation between rising powers and developing countries. The rise of emerging donors may be seen as the mirror image of a new, self-balancing global governance system in which rising powers like Brazil, China, and India are entering the world stage as influential actors.

Yet the idea of South-South cooperation is anything but new: as early as 1978 a Special Unit for South-South Cooperation was set up in the United Nations Development Program; its objective is "to promote, coordinate and support South-South and triangular cooperation on a Global and United Nations system-wide basis" (UNDP 2006a). However, the quantity (e.g. funding volumes, supraregional engagement) and the quality (e.g. thematic focusing) of South-South cooperation have been substantially upgraded in the course of the past decade.

The term South-South cooperation is understood to mean "a broad framework for collaboration among countries of the South, in the political, economic, social, environmental and technical domains" (UNDP 2006a). Consequently, the concept encompasses elements of classic official development assistance (ODA) and at the same time goes beyond the OECD/DAC's definition of ODA in that e.g. it also includes trade and investment.¹ The emerging donors Brazil, China, and India are developing comprehensive South-South cooperation projects and at the same time becoming active as classic development aid donors as per ODA criteria.

Traditionally, the donor activities undertaken by the OECD countries in the Development Assistance Committee (DAC), which presently has 22 member countries, are subjected to critical public analysis. As non-OECD members, the emerging donors are not integrated into this organization and are therefore not subject to either the DAC's reporting requirements or to peer review.

The OECD/DAC has identified three potential risks bound up with the development engagement of the emerging donors:

- "They prejudice their debt situation by borrowing on inappropriate terms,
- they use low conditionality as to postpone necessary adjustment, and
- they waste resources on unproductive investment" (Manning, 2006: 371).

With a view to increasing the transparency of the development activities of the emerging donors and minimizing the risks of their engagement, the OECD has entered into a dialogue with the new donors in the framework of its Global Forum on Development. To this end the OECD Development Centre, together with UN DESA, UNDP, and the World Bank, plans to systematically analyze the chances and risks bound up with the activities of the emerging donors.

Under the Russian presidency as well, the G8 assigned particular importance to the emerging donors, with the Russian finance ministry and foreign ministry organizing, together with the OECD and the World Bank, a conference on "Emerging Donors in the Global Development Community." The participating countries agreed that the emergence of new donors is a factor that has positive and indispensable implications for efforts to reach the Millennium Development Goals (MDG); they noted at the same time, though, that there is a pressing need for more coordination and transparency in the donor community as a whole.

While the development engagement of China and India tends to play a dominant role in political and public perceptions, as a donor of development aid Brazil has received hardly any attention in the ongoing scholarly or development-policy debates. The reason for this is that the two Asian countries - which command signifi-

¹ According to the OECD/DAC definition of Official Development Assistance: "ODA consists of flows to developing countries and multilateral institutions provided by official agencies, including state and local governments, or by their executive agencies, each transaction of which meets the following test: a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective, and b) it is concessional in character and contains a grant element of at least 25 per cent." (OECD, 1996:24)

cant volumes of funds and do not condition the aid they provide - are becoming serious competitors for the OECD donors, particularly on the African continent. By comparison, Brazil has proven more modest as a donor: between 1998 and 2004 it made a total of US\$ 15 million available for 119 development measures (Altenburg and Weikert 2006: 34).

However, an in-depth analysis of Brazil's qualities as a donor is highly instructive, and some observers are convinced that Brazil - unlike China and India - gears its donor activities "much less to its own short-term economic and political interests" (Altenburg and Weikert 2006: 34). Brazil works consistently as an advocate and initiator of South-South cooperation in the interest of the global South. Furthermore, Brazil not only active as a classic bilateral donor, it is also engaged in innovative multilateral and trilateral forms of cooperation. In many sectors Brazil has also built expertise of its own which can be used by other countries as a guideline for action designed to improve socioeconomic development. In this respect Brazil could serve as a model for other emerging donors.

Against this background, the following section will look into the extent to which Brazil, as an emerging donor, is gaining influence on international donor structures. This will require an analysis of Brazil's development engagement in terms of the formulation and orientation of the technical cooperation (TC) and financial cooperation (FC) it provides. A deeper look will also be taken into the South-South cooperation between Brazil and Africa as a means of coming up with a comprehensive assessment of Brazil's qualities as a donor. The findings of this analysis will then be used to work out some of the challenges that Brazil as an emerging donor presents for the international community as well as some of the chances it offers for a sustainable development policy.

2 Brazil – a rising power as an advocate of the global South

Brazil exercises its role as a rising power by engaging in consistent efforts to expand and strategically anchor South-South cooperation, and in doing so, it has proven to be a constructive actor in shaping the architecture of global governance. Brazil's rise to the role of a global actor in world political affairs is reflected on the one hand in the fact that it is generally accepted, even by some important industrialized countries, as a cooperation partner and is on the other hand acknowledged by other emerging and developing nations in its role as an advocate of the global

South. One of the reasons why this South American country has won the recognition and the trust of the global South is that it sees itself as an "'intermediary' between the 'weak' and the 'strong'" (Soares and Hill 2006: 27). Without its repeatedly underscored commitment to multilateralism, though, Brazil would not have risen to the status of an actor of such significance.

While Brazil's growing economic strength is an additional factor responsible for the growingly important global role it plays, Brazil's international role as a political actor is determined for the most part by the country's relevance and activities abroad. Brazil's activities as a donor are linked with the country's external strategy of expanding South-South cooperation.

Even though Brazil is ambitiously involved in shaping the architecture of global governance, the South American country continues to rank as a middle-income country - and thus as a developing country. While Brazil is generally ranked among the emerging economic powers in the context of the BRIC country group,² and the country's performance on socio-economic indicators has begun to show signs of improvement, Brazil is still forced to contend with a good number of substantial development deficits.

Brazil as a power actively involved in shaping the international order

Many members of the international community accept Brazil as a "like-minded ally" and therefore accord to it a central role on the stage of world politics. To cite an example, Brazil, together with the Group of Four (G4), which includes Germany, Japan, and India alongside Brazil, worked vigorously for a reform of the UN Security Council and the establishment of a number of additional permanent seats on the council. Brazil's international importance is further underscored by its participation in the "outreach" of the G8's summits and ministerials.

In joining forces with India and South Africa to set up the IBSA Dialogue Forum,³ President Luiz

² BRIC is an acronym formed from the initial letters Brazil, Russia, India, and China. It is anticipated that these countries will develop an enormous economic potential over the coming 50 years, perhaps even outperforming the established G7 powers.

³ The "India-Brazil-South Africa (IBSA) Dialogue Forum" was founded in 2003 on Lula's initiative; it is committed to democratic values, a multilateral system of global governance, and the goal of poverty reduction (Gratius and Zilla 2006: 3)

Inácio Lula da Silva created a South-South cooperation with a new and influential dynamic and at the same time underlined his sincerity concerning multilateral South cooperation. In assuming the chair within the G20 in the framework of the WTO Doha Development Round, Brazil both demonstrated and enormously strengthened its bargaining power in the world trade regime.

The success of the "Lula Group"⁴ may also serve as an illustration of the role that Brazil plays as an actor of global change. Together with the presidents of France and Chile, President Luiz Inácio Lula da Silva launched the initiative "Action against Hunger and Poverty" with the aim of coming up with alternative financing instruments for development (Kage 2006: 1).

Brazil has also stepped up its participation in UN missions in recent years, taking on responsibility as a global player for peace and security in the world. The UN peacekeeping mission in Haiti has been under Brazilian leadership since 2004, and Brazil has contributed 1,200 troops, the largest contingent involved in the mission. In 1999 Brazil participated in the UN peacekeeping mission in East Timor, contributing police forces. Furthermore, Brazil took part in the UN observer missions in El Salvador and in Mozambique and contributed 1,300 troops for the UN mission in Angola.

In hosting the UN Conference for Environment and Development (UNCED) in 1992, Brazil made an important contribution to the architecture of global governance. Brazil's membership in numerous regional and international regimes and organizations may be seen as a reflection of the vision guiding Brazil's foreign policy.⁵

So aspiring – and yet at the same time so poor

Since it opened its markets, Brazil's efforts toward integration into the world market have proven successful, and the country was also able to survive the 1998 economic crisis relatively unscathed. Brazil, with its population of 185 million, has now become the world's ninth-largest economy. In addition to developing into an attractive bond market, Brazil is also active as a global in-

vestor: The multinational corporations Petrobras S.A. and Companhia Vale do Rio Doce⁶ operate worldwide. On the whole, Brazil has now become the sixth-largest investor in the group of developing countries (UNCTAD 2006: 20).

The country's good economic development, together with the numerous social programs put in place by the Lula government, has led to a good number of poverty-reduction effects. This in turn has had positive effects on Brazil's ranking on the Human Development Index (HDI), which indicates that quality of life in Brazil has steadily improved. Comparing Brazil with other rising powers, we find that the country ranks roughly 10 places ahead of China and 50 places ahead of India. All in all, though, Brazil is still a country faced with substantial development deficits. Social inequality and income poverty continue to be widespread. Even though Brazil no longer has a dubious top international position on the Gini coefficient (10th ranking in 2004, 2nd place in 1989), the richest 10% of the country's population continues to hold 45% of the country's wealth. According to UNDP data, 22% of Brazilians live below the national poverty line and have to get by on US\$ 2 per day (UNDP 2006b).

These mixed findings indicate that while Brazil remains a net recipient of ODA, development cooperation (DC) with the country has altered. For example, the German Federal Ministry for Economic Cooperation and Development (BMZ) classifies Brazil as an anchor country,⁷ meaning the German government will seek to develop deepened cooperation with it on special issues with a view to making use of Brazil's regional importance as a catalyst.

Of the rising powers China, India, and South Africa, Brazil receives the lowest amounts of ODA provided by international donors: in 2005 ODA accounted for only 0.023% of Brazil's gross national income (China: 0.075%, India: 0.109%). The technical cooperation share of the overall ODA Brazil receives - roughly US\$ 180 million - has been at a stable level since the mid-1990s. Brazil's largest bilateral donor is Japan, followed by Germany, France, and the US. More than 40% of the bilateral DC the country receives is

⁴ Consisting of: Algeria, Brazil, Chile, France, Germany, and Spain.

⁵ Brazil as a member of the Organization of American States (OAS), the Rio Group, the Inter-American Development Bank, the African Development Bank, the International Monetary Fund, the World Bank, UNCTAD, UNESCO, UNHCR, UNIDO, ILO, and many other institutions.

⁶ Petrobras (Petrolio Brasileiro S.A.) is a state-owned Brazilian enterprise in the energy sector. CVRD (Companhia Vale do Rio Doce) is a Brazilian mining company.

⁷ "Anchor countries are rising economic and political powers without whose engagement it is practically unthinkable to solve current and future world problems" (Altenburg and Weikert 2006: 1).

concentrated on “program assistance,” with multisectoral development approaches accounting for roughly 15% of this ODA and 12% going into the education sector.

3 Brazil’s development policy - an instrument of its foreign policy

Since the 1970s Brazil has made its appearance as a development donor under the heading of horizontal or South-South cooperation. Brazil sees its own position as hybrid in nature: “Brazil belongs simultaneously to both the industrialized and the developing worlds, where modernity and backwardness live side by side” (Ministério das Relações Exteriores (MRE) 2006). It is from this ambivalent position as well as from the criticism it levels against the self-interest-dominated development policy of the industrialized countries that Brazil derives both the mandate for its donor activities and a claim to international leadership in the interest of the countries of the South. Consequently, Brazil’s foreign ministry has a skeptical to critical stance toward the industrialized countries: “The perspective on the problems and the solutions proposed by developed countries have not always corresponded with the concerns of the developing countries, since rich nations have tended to focus their attention on a selective agenda of issues on which they wanted to take immediate action and on those claiming the full support, just as immediately, of the so-called Third World” (MRE 2006).

Traditionally, Brazil’s foreign policy has always been linked with a development agenda. This link has become even stronger under President Luiz Inácio Lula da Silva: “The government’s fight against poverty and unequal income distribution at home and its assertive and activist foreign policy can be viewed as two sides of the same coin” (Soares and Hirst 2006: 21).

Brazil has in recent years undertaken steps to professionalize its development policy (and in particular the technical cooperation it provides) and to give it greater political (foreign-policy) relevance. Brazil does distinguish here between South-South cooperation, development cooperation, technical and financial cooperation, and trade and investment. However, it sees development policy essentially as a component of its “South-South cooperation” approach to foreign policy.

Brazil has stated its commitment not to orient the development aid it provides to its own national financial and/or material interests. The Brazilian government regards development pol-

icy as a contribution to international security and peace policy. Against this background Brazil’s commitment to multilateralism, noninterference, and the peaceful resolution of conflict must be seen as an important principle of Brazil’s foreign policy that at the same time has implications for development policy.

Brazil’s technical cooperation: A model for other emerging donors?

Brazil sees its South engagement as an instrument of foreign policy that strengthens its ties to certain regions and countries that are accorded high priority among the country’s national and foreign-policy interests. This is the reason why the Agência Brasileira de Cooperação (ABC), set up in 1987, is anchored in the foreign ministry as an autonomous working unit. The priorities of South-South cooperation derive primarily from the pledges and obligations made by the president or foreign minister on the occasion of official visits. On the whole, Brazil maintains cooperation agreements with 53 bilateral partners; these agreements place technical (and to some extent also cultural and scientific) cooperation in the binding framework of international law. One striking aspect here is that, far from being focused on Latin America, Brazil’s engagement also has a pronounced supraregional orientation.

In keeping with Brazil’s foreign-policy commitments, 38% of the development aid (TC funds) it made available in 2003 were concentrated on South American countries, with two-thirds of this going to Paraguay. The lusophone African countries received 34% of the aid provided by Brazil, most of which went to Angola and Sao Tome and Principe. Twenty-two percent of the overall volume of Brazilian DC went to East Timor. The Central American region, including the Caribbean, received a mere 6% of the development aid Brazil provided in this period; Haiti was the major beneficiary here.⁸

As a non-OECD member, Brazil reports neither publicly nor on the basis of DAC criteria on its DC budget, and for this reason there are no externally validated data available on the subject. According to Brazilian data, the ABC had a total of US\$ 12 million available for TC measures between 2000 and 2004.⁹ In a report to the UNDP High-Level Committee on the Review of Technical Cooperation among Developing Countries

⁸ For these data, see Stamm 2005: 16.

⁹ For comparison: Germany’s TC budget for 2004 amounted to approximately US\$ 2.4 billion (OECD/DAC Statics).

(HLC), however, the Brazilian rapporteur points out that these reports allow to include not only the financial resources provided by the ABC but also the services of other organizations involved in implementation. He therefore notes: "that it is estimated that each US\$ 1.00 spent should be multiplied by ten, since its execution partners are institutions that do not charge for their participation nor for the know-how they contribute" (HLC 2003: 2). According to this very rough calculation, the volume of development aid Brazil provided between 2000 and 2004 would have amounted to US\$ 120 million; yet even at that level Brazil's TC budget remains very small.

According to Foreign Minister Celso Amorim, one principle of Brazilian development policy is that provision of Brazilian TC funds is made dependent neither on Brazilian national commercial interests nor on conditionalities for recipient countries (ABC 2006: 16). In this context Brazil reported to the HLC: "The focus of Brazil's technical cooperation strategy has sought not to stimulate dependence, not to condition aid to profits or commercial benefits. Nor is it meant to be imposed" (HLC 2003: 1, 2). Brazil thus deviates from the political approach adopted by the OECD donors, viz. to make ODA conditional on criteria such as rule of law, human rights protection, or poverty-oriented policies.

Still, the TC provided by Brazil in 2004 was keyed to the following political guidelines:

- prioritization of technical cooperation programs that help to intensify relations between Brazil and partner countries (countries of paramount priority for Brazil's foreign policy);
- support for projects in line with national programs and priorities of recipient countries;
- priority for projects that entail multiplier effects and hold promise of sustainability after project completion;
- priority for projects that promise the greatest success and avoid any pulverizing waste of funds;
- preference for projects in which recipient countries participate by mobilizing funds of their own.

Official presentations repeatedly state that the aim of Brazil's technical cooperation is to embark on a "partnership for development" with the recipient country: "to improve people's standard of living, to foster sustainable growth

and to promote social development" (HLC 2003: 1). Transfer of know-how and efforts to strengthen institutional structures in partner countries are seen as keys to development that are worthy of being promoted through advisory services, capacity-building measures, and technology transfer.

Brazil's TC has a broad institutional base: the ABC is responsible for basic coordination functions, and over 120 additional institutions are involved in implementation. The main institution active in South-South cooperation in the health sector is the Fundação Oswaldo Cruz, which has ties to Brazil's health ministry. Together with SENAI (Serviço Nacional de Aprendizagem Industrial), a training and capacity-building organization, Brazil builds and develops vocational training centers in partner countries.

When it comes to setting priorities in substantive-conceptual terms, Brazil can draw on its own experiences as a developing country, and it focuses on areas in which the country has accumulated expertise of its own: "Most of the proposals of technical cooperation presented to the Government of Brazil are related to sharing our experiences in implementing these solutions" (HLC 2003: 2). Accordingly, the ABC focuses on socioeconomic development factors: basic and adult education, agriculture, vocational training, health, alternative energies, and the environment. In addition, Brazil offers TC funds for public administration reform and further development of the SME sector.¹⁰ With its focus on the sustainable development of human resources, Brazil's DC approach appears to differ substantially from the approach pursued by China and India, with its focus on infrastructure measures.

The "export hits" of Brazilian TC are, e.g. in the education sector, the Bolsa Escola Program and the Literacy Program. Both are national programs that have achieved excellent effects in Brazil. The Brazilian program for combating HIV/AIDS and sexually transmitted diseases also enjoys an excellent reputation among OECD/DAC donors. In the field of renewable energies Brazil is seen internationally as a pioneer in ethanol production, which achieves very broadly effective income effects in addition to positive environmental effects in that it combines industrial (agrobusiness) and traditional (small farmers) cultivation structures. However, there is no way to tell whether and to what extent the transfer of these Brazilian programs into

¹⁰ Small and medium-sized enterprises (SME)

other national contexts has met with success. The programs that have already been implemented have not been evaluated or the results have not been made public.

Brazil's TC is oriented to three axes: the bi-, tri- and multilateral. The lion's share of Brazil's TC is transacted on the basis of bilateral cooperation agreements. But Brazil is becoming increasingly engaged in multilateral forums. Most of this TC involves advanced training measures provided via the Brazilian Cooperation Fund, created in 1995 under the auspices of the OAS. For example, in 2003 a course on "diplomatic practices" was conducted in El Salvador for participants from Central America. In the framework of the Community of Portuguese Language Countries (CPLP)¹¹ Brazil is working for the development of vocational education centers in the lusophone developing countries.

The trilateral or triangular cooperation between Brazil (as an emerging donor), an OECD donor, and a developing country is a new form of development cooperation (see Altenburg and Weikert 2006). Here the three parties jointly plan, finance, and implement the projects involved. Trilateral cooperation is usually found in sectors in which the emerging donors have expertise of their own. Thus far Brazil has launched triangular cooperation projects together with the Japan International Cooperation Agency (JICA) in the educational and agricultural sectors; every year 120 experts from Latin America and Africa participate in these projects. Together with the Canadian International Development Agency (CIDA), Brazil has carried out immunization programs in Haiti. And together with the United Nations Population Fund, Brazil has initiated a program designed to promote the international dissemination of its health program for family planning, reproductive health, and combating AIDS in Latin American and lusophone countries.

The great unknown: Brazil's financial cooperation

While there is extensive documentation available on the orientation of Brazil's technical cooperation, this is not at all the case when it comes to the conception, guidelines, structure, and volume of the FC Brazil provides. Brazil's FC ap-

pears to be coordinated mainly by a small subdivision of the finance ministry that is also responsible for developing export credit lines and transacting bi- and multilateral debt relief.

As a member of the Paris Club with observer status, Brazil has participated in numerous multilateral debt relief measures, primarily in favor of African countries.¹² Under the auspices of the HIPC Initiative¹³ the Brazilian finance ministry has cancelled the following debt: Mozambique: US\$ 369 million; Tanzania: US\$ 10 million; Mauritania: US\$ 9 million; and Guinea-Bissau: US\$ 5 million. Clearly the regional focus of Brazilian FC is on Africa.

The IMF and World Bank see Brazil as a member of the group of emerging creditors;¹⁴ and they have observed that the financial aid provided by the emerging creditors has increased sharply in recent years. After China and Kuwait, Brazil is the third-largest emerging creditor that provides loans to low-income countries.¹⁵ The largest claims that Brazil currently holds as an emerging creditor are against Angola (8% of GDP), Guinea-Bissau (4% of GDP), and the Republic of the Congo (3% of GDP) (IMF and World Bank 2006: 8). Since Brazil provides technical cooperation without any conditionalities, it is perhaps safe to assume that it also provides financial aid without conditioning it on compliance with rule-of-law or human rights principles.

In addition to multilateral debt relief via the Paris Club, Brazil also underscores its basic multilateral position by contributing to multilateral forums. Via the IBSA Dialogue Forum, Brazil, together with India and South Africa, has made US\$ 1 million p.a. available for the "UNDP Fund for Public Health, Education, Sanitation and Food Security Projects."

¹¹ The CPLP (Comunidade dos Países de Língua Portuguesa) was founded in 1996 to promote cooperation between Portuguese-speaking countries. Its members are Angola, Brazil, Cape Verde, Guinea-Bissau, Mozambique, Portugal, and Sao Tome and Principe; East Timor has observer status.

¹² Among others: Congo, Nigeria, Gabon, Senegal, DR Congo, Zambia, Mauritania, Tanzania, Mozambique, Guinea, Bolivia, Guinea-Bissau and Ghana.

¹³ A 1999 G8 initiative in favor of debt relief for heavily indebted poor countries (HIPC).

¹⁴ The IMF and the World Bank regard Brazil, China, India, Korea, Kuwait, and Saudi Arabia as emerging creditors.

¹⁵ Compared with the overall volume of the funds made available by the traditional OECD donors, the share of the credit provided by Brazil is still very small. China and Kuwait, the group's the largest lenders, hold claims amounting to US\$ 5 billion and US\$ 2.5 billion, respectively; there are no concrete data available on the credit that Brazil provides (IMF and World Bank 2006: 8).

4 Brazil's South-South cooperation with Africa: Genuine solidarity, enriched with numerous self-interests

Africa has moved increasingly into the focal interest of the rising powers: In keeping with Brazil's foreign policy strategy, President Luiz Inácio Lula da Silva has put South-South cooperation with the African continent on a permanent footing. Among the declared objectives of Brazil's Africa policy: "One is to set foot in what is seen as one of the last commercial frontiers of the world. The other to help Brazil become a global player in international affairs" (Zanini and Sorbara 2007).

As Brazil sees the matter, far from being classified as the "lost continent," Africa should be courted as a potential business location and source of energy supplies. One feature typical of Brazil's efforts to further develop South-South partnership include "soft" public declarations of solidarity on the one hand and "hard" economic, political, technical, and financial cooperation on the other.

Brazil's main competitors for access to African markets and natural resources are China and India. Trade experts view Brazil's cultural ties with Africa as a comparative advantage. Cultural links between Brazil and Africa are very close historically, although they have been revitalized only in recent years. This is underscored by the five official visits that President Luiz Inácio Lula da Silva's has paid to 17 African countries since 2003 as well as by the deeply symbolic reopening of twelve embassies. During his first official visit in Africa, the Brazilian president conjured up the cultural roots shared by Africa and Brazil and admitted that Brazil is indebted to Africa: "Brazilian society was built on the work, the sweat and blood of Africans" (Africa Recovery 2004: 3). The president also emphasized that - after Nigeria - Brazil is home to the largest black population in the world. It is in particular the Portuguese language that closely links the lusophone countries of Africa to Brazil, and this is the reason why the central focus of Brazil's South-South cooperation is on this country group.

Africa's growing relevance for Brazil is most clearly reflected in increased volumes of trade and investment. Between 2002 and 2006 Brazilian trade with African countries tripled, reaching nearly US\$ 13 billion in 2006.¹⁶ Brazil's trade

with the SACU¹⁷ region had already increased by 224% between 2003 and 2005, 98% of which was concentrated in South Africa. Brazil's trade with the African CPLP countries increased by 283% during the same time period, with Angola alone accounting for 90% of this figure. Brazil's most important exports include food and industrial goods; it imports fossil fuels in return. In 2006 Brazil's largest oil suppliers were Nigeria, Saudi Arabia, Iraq, and Angola. On the other hand, at present the Latin American regional energy market seems to play as good as no role for Brazil's energy policy. Brazilian multinational corporations have also discovered Africa as an interesting business location; only recently the Brazilian mining company CVRD invested US\$ 2 billion in the construction of a coal mine in Mozambique (Africa Research Bulletin 2006: 17110). According to the Global Development Finance Report, Brazil also has "considerable investments in Angola and Nigeria" (World Bank 2006: 112). Even though these figures may seem impressive, they also show that other economic regions like the USA, the EU, and Latin America still enjoy priority for Brazil, that Brazil is only one player among many on the African continent, and that its economic activities are limited to individual countries.

At the end of November 2006, on the initiative of President Luiz Inácio Lula da Silva, the first "Africa-South America Summit" (ASA) was held in Nigeria; its objective was to expand the South-South cooperation between the two regions. In his opening address President Luiz Inácio Lula da Silva made a plea for the two regions to converge on the international stage: "The association between our two regions had never been so necessary before (...) We should become aware that the collective way out is the only possible one" (Radio Mundo Real 2006). In this sense, the participating countries committed themselves, in the summit's final declaration, to democratization of international relations, reform of the UN and the Security Council, and expansion of South-South cooperation "for the mutual benefit of the states and peoples of the two regions" (Declaration, ASA Summit). With this agreement Brazil has secured the support of the African countries in its pursuit of a permanent seat on the UN Security Council.

set to more than double over the course of the coming five years (Hofmann, 2006: 6).

¹⁷ The Southern African Customs Union was founded in 1969 and is made up of 5 southern African countries.

¹⁶ By comparison, in 2004 trade between China and Africa already amounted to US\$ 40 billion, and it is

Furthermore, the summit also created the Africa-South America Cooperative Forum (ASACOF), whose activities are to be coordinated by Brazil and Nigeria. The cooperation wishes of the member countries center on agriculture, trade and investment, energy, technologies, water resources, and tourism. It remains to be seen what kind of dynamic the forum will develop and to what extent it will succeed in implementing the goals it has set.

Just as with other rising powers, Brazil's case involves a combination of foreign-trade, foreign-policy, and development-policy interests. This is reflected most clearly in the list of recipients of Brazilian financial aid. Although there are only isolated reports available on Brazil's financial cooperation, it is safe to assume that Brazil's cancellation of US\$ 1 billion of debt for African countries has mainly benefited resource-rich countries (World Bank 2006: 109).

Like other rising powers, Brazil is working on the African continent to reduce poverty there and to help its partners reach the MDGs, and it does not tie its aid to conditions like "good governance" or "respect for human rights." Generally speaking, however, there are two factors to keep in mind in assessing Brazil's development policy: one is that Brazil is only a relatively small actor in Africa compared with other rising powers; the other is that Brazil's DC in Africa is concentrated on the long-term development of human resources, and not mainly on investment in the physical infrastructure it needs to optimize resource extraction.

In 2005 the ABC carried out 54 bilateral TC projects in Africa, 35 of them in the continent's lusophone countries (Angola, Cape Verde, Guinea-Bissau, Mozambique, and Sao Tome and Principe). The focal points included (vocational) training, agriculture, and efforts to combat HIV/AIDS. In Angola, Guinea-Bissau, and Mozambique Brazil is offering vocational training centers as a means of support for efforts to reintegrate ex-combatants into society, in this way contributing to peacebuilding processes. Brazil is cooperating with Mozambique, Sao Tome and Principe, and Angola with a view to strengthening local agricultural research institutes. Sao Tome and Principe, Namibia, and Guinea-Bissau are benefiting from transfers of technology and know-how for specific cropping methods or cultivated plants. All of the lusophone countries, as well as Botswana, Burundi, and Burkina Faso, are receiving support from Brazil for their efforts to combat HIV/AIDS; here Brazil can have recourse to the successes with which its own

strategy has met. Brazil has, in the CPLP framework, provided assistance in developing two regional centers of excellence: a regional center for business development in Angola and a regional center for public administration in Mozambique. Even though Brazil's development policy is in part not in line with the OECD/DAC criteria, its development engagement may be seen as more positive than that of other emerging donors.

5 Chances and risks of an enlarged donor community: Constructive dialogue in the place of oversimplification

The overall concept of "South-South cooperation" is a central theme throughout the whole of Brazil's foreign policy. There is every reason to welcome Brazil's proactive and constructive commitment to the global South, and its sustainability could be boosted by, among others, the IBSA alliance and the Africa-South America Cooperative Forum. If we look behind the rhetoric of a partnership of mutual benefit, we find that the benefits do not appear to be reaped by Brazil alone. But one thing that must be seen as problematical in the context of "South-South cooperation" is the blurred boundaries between the individual components involved.

Viewed in isolation, Brazil appears - looked at in terms of the data presently available on the volume of the funds it provides - to be a relatively small emerging donor. Particularly in comparison to other emerging donors and established OECD donors, Brazil's DC budget is very small. This means that in the near future Brazil's South-South engagement will not significantly affect the international donor structures, i.e. Brazil cannot be expected to mobilize funds exceeding those of any one OECD donor.

Compared with the development policy of the OECD countries, the most striking deficits in Brazil's DC include in particular a lack transparency concerning funding volumes and award criteria. There is no mechanism in Brazil that would require the government to report on how DC funds are used. In this connection there is good reason to question the Brazilian noninterference guideline and the country's policy of providing DC without conditionalities.

However, the analysis of Brazil's technical cooperation has also made clear what potential could lie in technical South-South cooperation. In its bi-, tri-, or multilateral cooperation Brazil works for development partnerships, placing emphasis

on socioeconomic development in partner countries. Brazil could serve as a model for other emerging donors in two ways: first, the use it has made of its own development successes has proven reasonable and promising; second, triangular cooperation between an emerging donor, an OECD donor, and a low-income country provide many positive learning effects for all of the parties involved.

On the whole, the emerging donors will, in the long term, prove able to change the international donor structures, true to the notion "competition is good for business." The discussion over normative standards for development cooperation will prove to be of central significance for possible changes in the international donor community: What standards should apply universally in development cooperation? What degree of transparency should be required? And what about the conditionality on which the provision of development aid is generally predicated? The basic normative principle presently subscribed to and defended by the OECD is currently being challenged by the practices in which the emerging donors engage. The readiness to engage in dialogue that is emphasized by the OECD donors must be seen as one positive step on the road to demonstratively integrating emerging donors into the established donor community.

The OECD and the G8 are forums well suited to initiate just such dialogue processes, although they may approach their limits when the concern is to put principles and standards binding for both emerging donors and established donors on a permanent and legal footing. For it is only the condition of "full membership" for the emerging donors in these multilateral bodies that could create the common ground needed to shape an array of highly different policy fields that would measure up to the guiding vision of a

fair and multipolar world order. But whether or not there is any such readiness on the part of the OECD or the G8 to expand cooperation, the principle question is and remains whether the emerging donors would at all be interested in accepting - in the sense of integration - the list of values embraced by OECD or G8, since this would require them to accept the "acquis communautaire."

The ongoing debate over South-South cooperation between emerging donors and Africa is a very emotional one. In the eyes of some Western development experts, the activities of the emerging donors are "operations that disregard human rights" and serve primarily to secure national energy requirements. While the motivation for the engagement of the emerging donors in countries like Angola or Sudan is in fact highly doubtful, one can only agree with Jeffrey Sachs' view of the matter: "It is a caricature to say that the new donor countries are only in it for their own self-interest - and the traditional donor countries are there out of the goodness of their hearts." The activities of old and new donors cannot be measured using two different standards.

A debate focusing only on development policy would necessarily fall short of the mark. Instead, OECD and non-OECD countries also need to reach agreement on coherent and transparent approaches to policy-making on the one hand and trade and investment standards on the other. Such dialogues should be conducted both within the OECD and G8 communities and with the emerging donors.

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