

Brazilian technical cooperation for development

Drivers, mechanics and future prospects

Final version: 6 September 2010

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Acknowledgements and disclaimer

This report synthesises the findings and recommendations of a study on Brazilian development cooperation. The study was overseen by the Brazilian Cooperation Agency (ABC) and funded by the UK Department for International Development (DFID). It was produced by a team of researchers from the Overseas Development Institute (ODI), a UK-based and independent think tank on international development and humanitarian issues: Lídia Cabral, Research Fellow, and Julia Weinstock, Consultant.

The team would like to express its sincere gratitude to all ABC staff members met during fieldwork for their prompt availability and for extremely helpful inputs provided to the research. Many thanks also to ABC focal points in S. Tomé & Príncipe and East Timor for their contributions. Equally thanks to all other people met, from government, private sector, civil society and international development agencies, for their time and interest in this study. Special thanks to Director Marco Farani for welcoming us to ABC and making his team available, to Márcio Corrêa for very insightful discussions and to Mike Ellis and Alejandra Bujones, from DFID, for organising fieldwork and for their guidance throughout the study. And, finally, thanks to our ODI colleagues, Sheila Page and Alina Rocha Menocal for their insights on Brazil's foreign policy and international relations.

The views expressed in this report are the authors' own and do not necessarily represent those of ABC, DFID or the people consulted.

Any feedback on this report would be gratefully appreciated by the authors at l.cabral@odi.org.uk or juweinst@uol.com.br.

List of acronyms

ABC	Brazilian Cooperation Agency
AISA	Secretariat for Health-related International Affairs, MS
BAPA	Buenos Aires Action Plan
BRL	Brazilian Real
CGDS	Coordination Unit for Social Development, Health, Education and Professional Training
CGMA	Coordination Unit for Agriculture, Energy, Ethanol and Environment
CGPD	Coordination Unit for Technical Cooperation between Developing Countries
CGRB	Coordination Unit for Received Bilateral Technical Cooperation
CGRM	Coordination Unit for Received Multilateral Technical Cooperation
CGTI	Coordination Unit for IT, Electronic Governance, Urbanism and Transportation
CIDA	Canadian International Development Agency
CNAT	National Commission for Technical Assistance
DAC	Development Assistance Committee of the OECD
DFID	Department for International Development, United Kingdom
DCT	Technical Cooperation Division, MRE
ECOSOC	Economic and Social Council of the United Nations
Embrapa	Brazilian Agricultural Research Corporation
ENAP	Public Administration National School
Fiocruz	Oswaldo Cruz Foundation
FUNAG	Alexandre Gusmão Foundation
GTZ	German Technical Cooperation
IBSA	India-Brazil-South Africa Partnership
IICA	Inter-American Institute for Cooperation in Agriculture
ILO	International Labour Organisation
JBIC	Japan Bank for International Cooperation
JICA	Japan International Cooperation Agency
MCT	Ministry of Science and Technology
MDS	Ministry of Social Development and for the Fight against Hunger
M&E	Monitoring and evaluation
MoU	Memorandum of understanding
MRD	Ministry of Rural Development
MRE	Ministry of Foreign Affairs

MS	Ministry of Health
NSC	North-South Cooperation
ODA	Official Development Assistance
ODI	Overseas Development Institute
OECD	Organisation for Economic Cooperation and Development
PALOP	Group of Portuguese-speaking African Countries
SAP	Project Monitoring System, <i>Sistema de Informações Gerenciais de Acompanhamento de Projetos</i>
SENAI	National Service for Industrial Apprenticeship
SEPLAN	Secretariat of Planning
SSC	South-South Cooperation
SUBIN	Sub-secretariat for International Technical and Economic Cooperation
TCDC	Technical Cooperation between Developing Countries
TICAD	Tokyo International Conference on African Development
TSSC	Triangular South-South Cooperation
TT-SSC	Task Team on South-South Cooperation
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
UNODC	United Nations Office on Drugs and Crime
US	United States
US\$	US Dollar
WLO	World Labour Organization
WP-EFF	OECD Working Party on Aid Effectiveness
WTO	World Trade Organization

Summary

This study focuses on Brazilian technical cooperation with developing countries. It analyses its policy framework, institutional set up and implementation modalities and discusses options for the future. The study was produced against the backdrop of Brazil's increasing prominence in international affairs, which, over recent years, has been reflected in an unprecedented increase in resources to technical cooperation with the South. The country is, as result, gradually switching from a position of recipient to a position of provider of development assistance.

Foreign policy is the major driver of development cooperation and, as such, it has shaped the focus and geographical location of technical cooperation initiatives. Africa is currently a top destination, with Portuguese-speaking countries accounting for the bulk of resources allocated to the region. Nonetheless, technical cooperation is becoming increasingly diversified in terms of country coverage, cooperation modalities used and thematic focus. Demand for Brazilian cooperation is rising quickly and the Brazilian Cooperation Agency, ABC, is being led to adjust at the same pace. Its budget has more than tripled over the past couple of years and technical staff has also expanded. Other Brazilian institutions are increasingly involved in technical cooperation, operating in coordination with ABC or, in some cases, through separate arrangements.

ABC has shown remarkable flexibility to adjust to the changing context and is becoming increasingly agile in managing technical cooperation. There are still, however, many institutional and operational hurdles that need addressing. Through an internal evaluation process, ABC has already identified the institutional challenges it faces. ABC is fully aware of, and openly discussed with the consultants, many of the institutional barriers addressed in this report.

Crucially, specific legislation regulating cooperation provided by Brazilian public sector institutions to developing countries is yet to be produced. Brazil manages South-South cooperation with the regulatory framework of an exclusively recipient country. Therefore, its agencies are not allowed to perform basic development assistance functions, such as buying and contracting abroad for the benefit of another country, having to operate through intermediary international agencies, such as UNDP.

In addition, ABC is not a fully-fledged development cooperation agency, but a department of the Ministry of Foreign Affairs. The Agency has limited autonomy and no own cadre of personnel. This has constrained its ability to be strategic and efficient in deploying its resources. As South-South cooperation continues to expand, there is a widespread expectation that ABC will become an autonomous agency with the ability to respond more effectively to the growing demand for development cooperation. A proposal on ABC's institutional reform is on the table.

In the meantime, ABC's technical staff is insufficient to ensure stability of the Agency and continuity of work and to protect its institutional memory. Staff turnover is high and staff numbers insufficient to respond to an escalating demand. Expertise gaps, particularly in the field of international development, also hamper ABC's work. Monitoring and evaluation and analytical documentation of experiences continue to be major weaknesses across the board, which are tightly linked with expertise gaps. Such weaknesses have compromised the country's ability to engage effectively with international debates and processes on development cooperation, which is also compounded by the absence of a domestic constituency for international development.

Furthermore, there is insufficient coordination and exchange of technical cooperation experiences at various levels: within ABC, between Brazilian cooperating institutions and with other stakeholders active in similar thematic areas in recipient countries. There is scope for ABC to play a more central role in coordination and leadership of Brazilian cooperation with the South.

Most of these difficulties are openly acknowledged and there have been attempts to address some of them. But in moving forward, three critical issues deserve further discussion and fine-tuning.

The quest for autonomy: ABC's autonomy is a pervasive issue. The expansion and consolidation of ABC as a mature development agency with a structured cooperation agenda is predicated on greater institutional autonomy, including more permanent staffing (i.e. own cadre of personnel), in-country representations and mechanisms which would allow direct execution of projects abroad. Addressing the issue of institutional reengineering of ABC is a complex matter which cannot be treated casually. It requires in-depth analysis of all possible options, which bears in mind the complexity of Brazilian public sector's legal-financial apparatus. Other countries' models, from either North or South, could be instrumental to the analysis. Furthermore, there would be value in opening up the discussion about suitable development cooperation models for Brazil to all relevant groups, including civil society.

Building up Brazilian cooperation's developmental character: Brazilian technical cooperation is fundamentally driven by foreign policy. Developmental objectives are often concurrent but come second to diplomatic aims in the ranking of priorities. To date, there has been little attempt to link up Brazilian cooperation experiences with ongoing debates on international development.

Sustainability of South-South cooperation and the emergence of trilateralism: Could the gradual decline of bilateral cooperation compromise the future of South-South cooperation? Triangular cooperation has recently emerged as a new modality of technical cooperation which, to some extent, addresses such threat. There are, however, some concerns that require further reflection. Firstly, the domination of providers' interests in setting the terms of the partnership and insufficient engagement by recipient countries in the design of trilateral agreements could undermine beneficiaries' ownership of development projects. Secondly, by bringing multiple parties together, coordination and harmonisation challenges inevitable arise, potentially triggering higher transaction costs in the delivery of development cooperation. And thirdly, there are fears that policy independence and the (political) benefits associated with bilateral cooperation get diluted in this form of partnership.

The study concludes by offering a number of recommendations that, in addition to the current modernization and institutional strengthening policies being implemented by ABC, aim to contribute to the debate on the future of Brazilian development cooperation and to the improvement of technical assistance's operational effectiveness. These recommended improvements are seen as complementary to actions being undertaken by the agency.

The first set of recommendations focuses on the current vacuum which characterises the regulatory framework for providing development cooperation. There is a need to:

1. Revisit the model of development cooperation agency required to address future needs, and consider options beyond an exclusive focus on technical cooperation;
2. Inform the decision by conducting in-depth analyses of other agency models, drawing on experiences from both North and South;
3. Open up the debate on Brazil's development cooperation agency of the future to all Brazilian cooperation institutions and civil society; and
4. Hear what beneficiary countries have to say about relevance, value added and effectiveness of Brazilian technical cooperation.

A second set of recommendations suggest that technical assistance's operational effectiveness can be significantly strengthened by:

5. Revitalising the planning function within ABC, in order to make the Agency more strategic, better focused and less reactive;
6. Building up a team of development specialists to fill current expertise gaps;
7. Defining the rules of the game through the production of guidelines on a number of topics (including project management procedures) and strengthening ABC's leadership role;
8. Building monitoring and evaluation into all technical cooperation projects;
9. Promoting coordination across Brazilian cooperation providers, including not only Brasília-based institutions but also state-level providers and overseas representations;
10. Strengthening the interface with recipient countries by seeking to have regular dialogue with a wider range of country stakeholders;
11. Documenting experiences with Brazilian technical cooperation by assessing outcomes and results achieved with executed projects;
12. Promoting dissemination of best practices, both internally, within ABC and across Brazilian cooperating institutions, and externally, within and beyond national borders;
13. Strengthening the analytical basis of cooperation policy and practice by linking Brazil's field experiences and best practice with global debates on international development; and
14. Building a more vigorous engagement with international debates on international development, both on themes Brazil has already gained high reputation and on other topical issues such as South-South cooperation, trilateral cooperation and aid effectiveness.

1. Introduction

This report summarises the findings of a study on Brazilian development cooperation with developing countries. It aims to analyse its policy and vision, institutional set up and implementation modalities and discuss options for the future in response to an increasing demand for cooperation from developing countries and Brazil's growing role as a key actor on a range of global issues.¹ The study focuses on technical cooperation for development, an area overseen by the Brazilian Cooperation Agency (ABC).

Methodologically, the study consisted of reviews of the relevant literature and fieldwork in Brasília. An initial literature review focused on trends in cooperation modalities practiced by emerging donors. To this end, the concepts of South-South cooperation (SSC) and triangular cooperation were analysed, and their respective strengths and weaknesses reviewed in order to understand how they relate to broader issues of development cooperation effectiveness and Brazil's experience.² This work was complemented by a review of documentation related to Brazilian technical cooperation and ABC in particular.

Fieldwork was conducted during 13-19 May 2010. It consisted of individual semi-structured interviews with key informants from ABC, other governmental and non-governmental Brazilian institutions involved in the provision of technical cooperation, as well as international development agencies. A group discussion with civil society representatives (mainly academia and research institutes) was also held. Fieldwork was complemented with telephone interviews with DFID headquarters and ABC focal points in S. Tomé & Príncipe and East Timor.³

The present report provides a summary of findings and recommendations with the following structure. Following this introduction, chapter 2 overviews Brazilian development cooperation by analysing its drivers, institutional setting, trends in volume of resources, focus and operational modalities. Chapter 3 presents the study findings and chapter 4 discusses some critical issues that require further reflection. The study concludes with recommendations related to the conceptualisation of a development cooperation model for Brazil and operational mechanisms for making technical cooperation more effective.

¹ The terms of reference are included in Annex I.

² A summary of this review is included in Annex II.

³ The list of people met and contacted by telephone is provided in Annex IV.

2. Overview of Brazilian cooperation for development

2.1 Definition, drivers and approach

This study focuses on technical cooperation provided by Brazilian institutions to developing countries. Technical cooperation can be understood as the transfer, adaptation or facilitation of ideas, knowledge, technologies and skills to foster development. It is normally executed through the provision of expertise, education and training, consultancies and, occasionally, the donation of equipment. Technical cooperation is not the only form of development cooperation with Southern countries provided by Brazil. The country is also a source of humanitarian relief, concessional financial assistance, as well as technological and scientific cooperation.

Driven by political and economic imperatives, Brazil is seeking to deepen its insertion in the global stage. This quest has led to the intensification of its role as a development cooperation provider, an evolution that can be illustrated by the fact that a range of ministries and governmental institutions have, in different capacities, broadened their participation in international cooperation over the last eight years. Simultaneously, cooperation has also been occurring at sub-national levels, with state-level agencies furthering diplomatic relations with external actors, despite the absence of adequate legislation.⁴

With a proliferation of actors gaining capacity to engage in foreign policy matters, the nuclear position hitherto held by the Ministry of Foreign Affairs (MRE), commonly referred to as *Itamaraty*, in foreign policy decision-making has, arguably, been weakened. To a considerable extent, this decentralisation process explains why Brazil's development assistance landscape is marked by fragmentation and low coordination in terms of modalities, vision, procedures and institutional setting. Against this background, it is difficult to account for the magnitude of Brazilian cooperation for development as a whole, as well as to distinguish its most striking features and key nodes of activity.

Over the years, Brazil has developed a particular approach to technical cooperation, presumably based on the principles of solidarity, respect to other countries' sovereignty and non-conditionality. This approach is complemented by practical elements. Brazilian cooperation agencies believe the type of assistance they provide is better fit to the realities of recipient countries than those brought by Northern donors, owing to cultural and socioeconomic affinities. Moreover, Brazilian cooperation is said to be demand-driven, thereby offering solutions tailored to beneficiaries' needs.

The lack of a hegemonic colonial past and the neutrality derived from this puts Brazil in a favourable position in comparison to traditional donors, an aspect that is further enhanced by its narrative of horizontal cooperation, i.e. cooperation as a partnership with mutual benefits. Another key feature is the focus on technical cooperation for capacity development. In addition to promoting a cost-effective transfer of know-how, this type of assistance aims to strengthen institutional capacities and generate positive advancements particularly in human resources, an area where recipient countries still encounter serious deficits.

2.2 Institutional setting

In 1987, Brazil's Cooperation Agency (ABC) was created to coordinate Brazilian technical cooperation – Box 1 provides a historical perspective of Brazil's technical cooperation system. ABC is institutionally located within one of MRE's seven sub-divisions, the General Sub-secretariat for Cooperation and Commercial Promotion. The Agency is mandated with the coordination of

⁴ Vigevani (2006).

both technical cooperation received from bilateral and multilateral agencies and technical cooperation provided to Southern countries, i.e. South-South cooperation (SSC). It oversees the conception, approval, execution and monitoring of SSC projects, in strict accord with foreign policy objectives laid out by MRE.

Despite its coordination mandate, ABC's centrality in this system is fragile. Although much technical cooperation received by Brazil is channelled through the Agency, a range of ministries, public and private organisations (e.g. SENAI) is involved in design, negotiation and provision of technical cooperation through their own International Affairs Units (*Assessorias de Relações Internacionais*), sometimes with limited involvement of ABC.

Box 1 – The evolution of Brazil's technical cooperation system

The creation of National Commission for Technical Assistance (CNAT), in 1959, marks the first attempt to establish a national technical cooperation system. Comprised of representatives of the MRE, sectoral ministries and the Secretariat of Planning (SEPLAN), and linked to the office of the President, its mandate was to determine priorities to guide requests for technical cooperation. In the 1960s, as a growing number of multilateral and bilateral assistance projects was made available to developing countries, the necessity of re-structuring the country's cooperation system was highlighted. A decree was passed in 1969, giving SEPLAN and MRE joint responsibility over the national technical cooperation system. Among their core responsibilities was to ensure alignment between technical cooperation programmes and priorities set in National Development Plans. At the level of SEPLAN, the Sub-secretariat for International Technical and Economic Cooperation (SUBIN) was created to perform operational functions, such as project analysis, execution and evaluation. At the level of MRE, the Technical Cooperation Division (DCT) was established to manage the political aspects of technical cooperation. By the early 1980s, this shared arrangement showed signs of fatigue, due to managerial inefficiencies. In 1987, ABC was created with support from UNDP, as part of *Fundação Alexandre Gusmão* (FUNAG), an organ of the MRE, merging the functions of SEPLAN's SUBIN and MRE's DCT, which are extinguished. In 1996, ABC was integrated to MRE's General Secretariat, becoming an organ directly administered by *Itamaraty*.

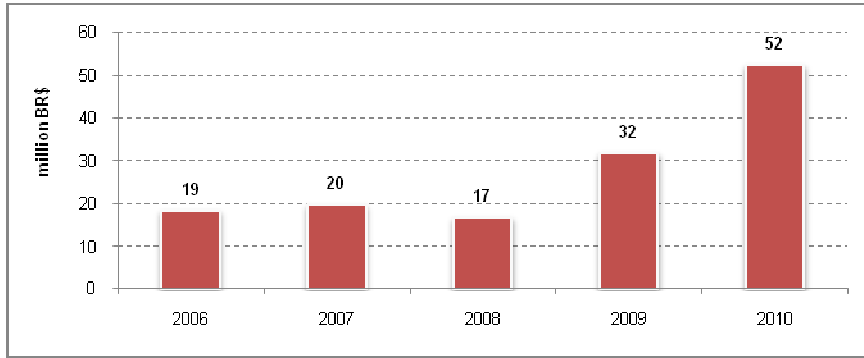
Sources: ABC website and Costa Vaz & Inoue (2007).

2.3 Trends in volume of resources and focus of technical cooperation

The volume of Brazilian technical cooperation is rising rapidly. ABC's budget has nearly trebled since 2006, reaching BRL 52 million in 2010 (Chart 1). It is estimated that, excluding administrative costs, the amount currently available to fund technical cooperation activities is around BRL 36 million. The volume of technical cooperation projects being implemented and in the negotiation phase amounts to more than US\$ 100 million. These figures are thought to significantly underestimate, however, the real scale of resources deployed in technical cooperation activities. They account for resources invested by ABC only and do not include contributions of expertise (*hora técnica*) provided in-kind by the many Brazilian cooperating institutions (e.g. consultancies, training, scholarships, etc). An earlier study estimated that for each BRL 1 spent by ABC, approximately BRL 15 is spent by these institutions (mentioned in Costa Vaz & Inoue 2007).⁵

⁵ IPEA and ABC are currently working on a study of Brazilian official development assistance. Following closely the OECD methodology, the study will attempt to calculate the total volume of resources invested by the Brazilian government in development cooperation.

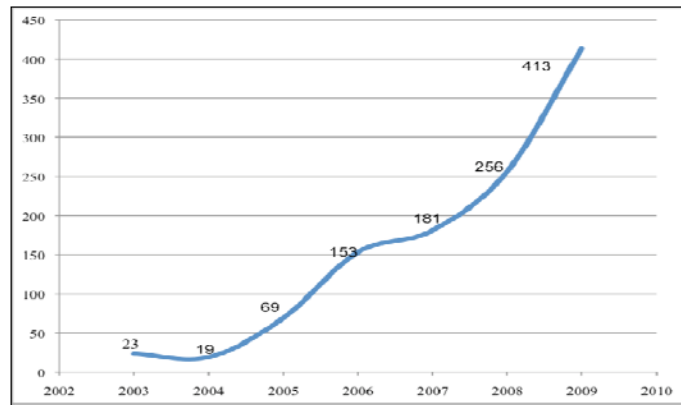
Chart 1 – Evolution of ABC’s technical cooperation budget, 2006-2010 (million BRL)



Source: ABC.

Whereas in 2003 only 23 new projects were incorporated into ABC’s portfolio, this number jumped to 413 in 2009 (Chart 2). Within the same period, beneficiary countries have more than doubled, increasing from 21 to 58 in total.

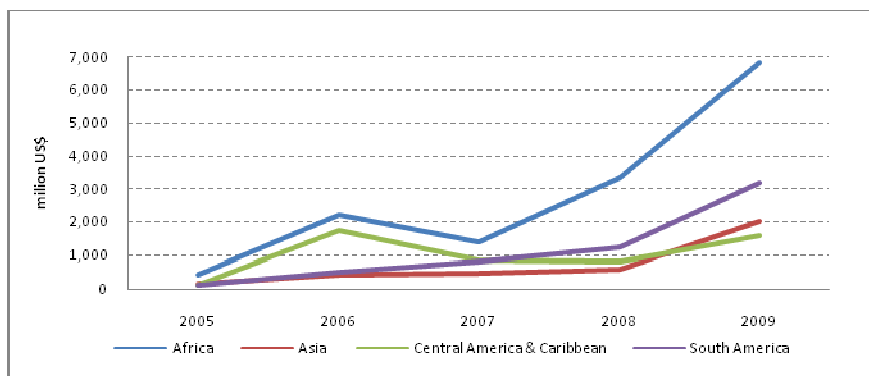
Chart 2 – Number of technical cooperation projects initiated each year, 2003-2009



Source: ABC.

Brazilian technical cooperation execution has grown steadily across all regions over the last years (Chart 3).

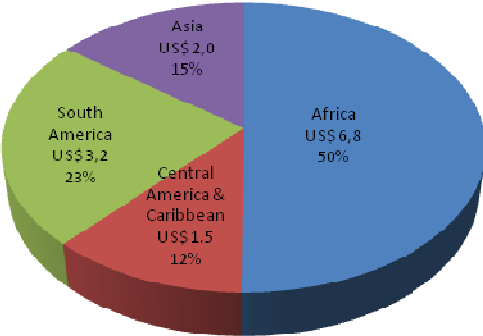
Chart 3 – Resources channelled by ABC to technical cooperation across world regions, 2006-2009 (million US\$)



Source: ABC.

Foreign policy objectives determine the availability and allocation of technical cooperation. Thus, there is no formal strategy guiding geographic policy priorities in the medium or long-term. While this makes it hard to find consistent patterns across time, Africa often appears as a top destination for Brazilian technical cooperation. In 2009, the continent received most of ABC’s annual budget (50%), followed by South America (Chart 4).

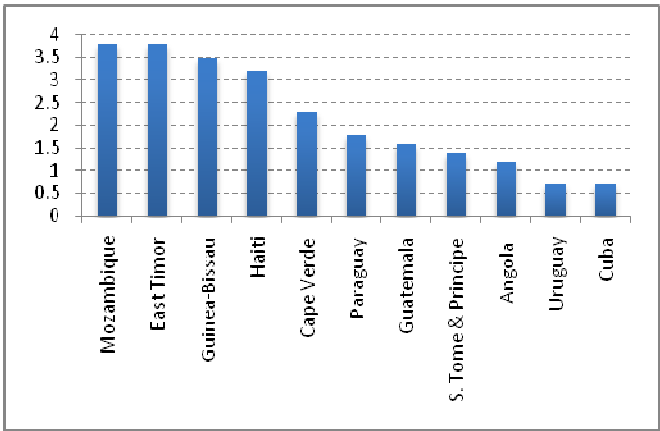
Chart 4 – Execution of technical cooperation projects per world region, 2009 (million US\$ and percentage)



Source: ABC.

Africa’s relative weight is explained by the fact that much of Brazilian development assistance has historically revolved around Portuguese speaking countries (PALOP)⁶, which together account for 74% of the funds currently allocated to the region. However, ABC is now reaching beyond these well-established constituencies, with a wave of cooperation agreements being brokered with a series of new partners, such as Morocco, Zambia, Botswana and Namibia, among others. In total, there are more than 250 projects in either negotiation or implementation phase across 34 African countries. The Middle East, another new territory for Brazilian technical assistance, has also seen an increase in ABC’s activities, matching Brazil’s attempts to establish a more representative political and economic presence in the region. Yet, the inclusion of additional spheres of interest has not altered the situation of traditional partners, such as Mozambique, East Timor, Guinea-Bissau and Haiti, which still account for the largest technical cooperation portfolios (Chart 5).

Chart 5 – Top recipients of Brazilian technical cooperation, accumulated portfolios in 2005-2010 (million US\$)

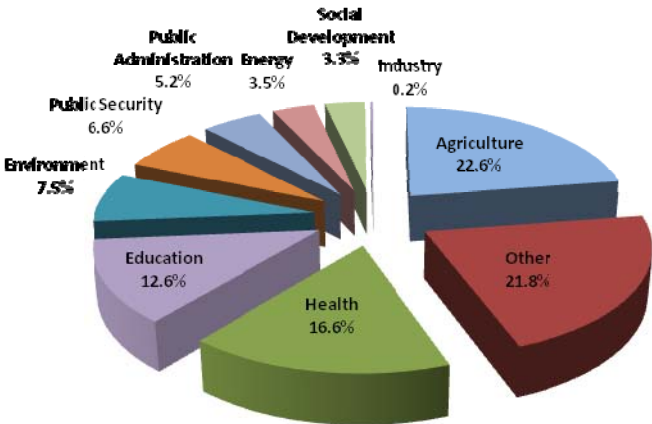


Source: ABC.

⁶ Angola, Guinea-Bissau, Mozambique, S. Tome & Principe and Cape Verde.

In terms of thematic scope, agriculture, health and education account for significant shares of the technical cooperation portfolio (Chart 6). They represent fields where Brazilian policies and programmes have attained considerable success and that, having sparked the interest of other developing countries, are now being exported through technical cooperation. Thus, ABC is able to capitalise on the know-how and skills of experts working in areas of national excellence, through partnerships with Embrapa on agriculture research, the Ministry of Health (MS) and Fiocruz (Oswaldo Cruz Foundation) on health research and policy, the Ministry of Social Development (MDS) on social protection and with the National Service for Industrial Apprenticeship (SENAI) on professional training, among other governmental, private and non-governmental institutions.⁷

Chart 6 – Distribution of Brazilian technical cooperation by thematic areas (percentage)



Source: ABC.

2.4 Cooperation modalities and operational mechanisms

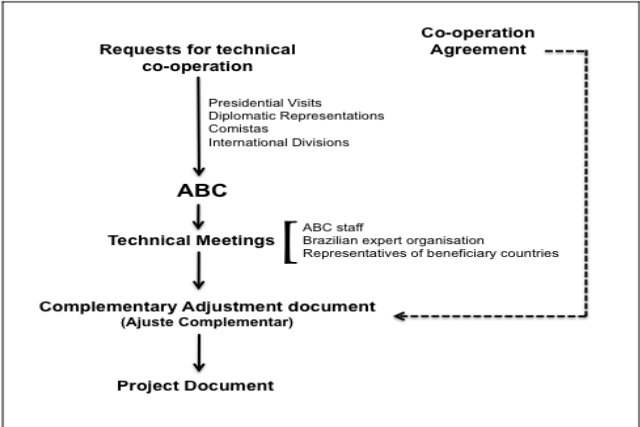
Brazilian technical cooperation is typically provided through conventional standalone projects. Nonetheless, ABC is now undertaking more ambitious endeavours through what was coined the ‘groundwork’ project approach (*projetos estruturantes*), a term used to describe projects conceived under a more long-term, large-scale, fund-intensive and complex perspective. The first of these initiatives, the Cotton 4 project, launched in 2006, is a partnership between Brazil and the four African countries involved in the WTO cotton initiative: Mali, Burkina Faso, Benin and Chad, with a view to promoting the sustainable development of the region’s cotton value chain.⁸ Senegal and Mozambique should be receiving two groundwork projects soon, also in the area of agriculture, and ABC hopes to progressively mainstream this approach into its operations, in an attempt to scale up its activities and maximise impact.

⁷ ABC works fundamentally with governmental partners. The involvement of private sector and non-governmental organisations is, with a few exceptions (e.g. SENAI) viewed as possibly burdensome, as their participation requires international bidding via executing agencies, such as UNDP, as well as quality control tests. As lengthy processes, both are perceived to compromise project execution timeframes.

⁸ As part of the WTO cotton initiative, these countries are demanding the removal of US subsidies on cotton as well as general liberalisation of trade in the cotton sector.

The standard mechanism for identifying opportunities for technical cooperation and designing projects works as follows. Frequently coming from foreign policy channels⁹, such as presidential visits, international fora, diplomatic representations and Mixed Commissions (*Comissões Mistas* or *Comistas*), technical cooperation requests are forwarded to ABC, which then mobilises the governmental institutions with expertise on the relevant field of cooperation. Subsequently, ABC staff and representatives of beneficiary countries and Brazilian organisations gather at technical meetings (*Reuniões Técnicas*) to discuss project feasibility. A Complementary Adjustment document (*Ajuste Complementar*) is then produced, in which the guidelines laid in the Basic Cooperation Agreement (*Acordo Básico*) maintained between Brazil and the partner country are adapted to the requirements of the project. As a high-level instrument regulating partners and project execution, the Basic Agreement is signed by foreign affairs authorities in both countries. The Complementary Adjustment serves as basis for the development of a project document, where parties jointly establish activities, timeframes and funding responsibilities. The whole process is summarised in Diagram 1 below.

Diagram 1 – Technical cooperation policy process: from diplomacy to operational design



In addition to translating demands into tangible projects and coordinating project implementation, ABC’s share of projects typically consists in financing travel expenses and maintenance costs of experts abroad. From their part, Brazilian organisations participating in technical cooperation are responsible for knowledge transfer activities and for paying the regular salaries of the employees granted to the project.¹⁰

New cooperation modalities are gaining terrain. Triangular, or trilateral, cooperation is a case in point. As Brazil attains a reasonable level of economic and social maturity, some bilateral and multilateral programmes are starting to gradually phase out or are being converted into new forms of partnership. In this context, memoranda of understanding have been negotiated between Brazil and several traditional bilateral partners, such as Japan, Germany, Spain and Italy, as well as with multilateral organisations, to provide cooperation to a third country in the South. Through these three-party arrangements, cooperation providers are able to ensure that mutual benefits accrued over years of partnership¹¹ endure, adapting roles to new realities. Brazil is

⁹ International Affairs Units within sectoral ministries tend to operate independently from ABC. Recently, however, some of them have been trying to strengthen engagement with the Agency, notifying it about demands received and articulating projects through it. MDS is a notable example of this trend.

¹⁰ Experts receive no extras for participating in technical cooperation projects and their availability is determined by their respective organisation.

¹¹ Brazil has for many years been a recipient of development assistance from those Northern countries now partnering in triangular cooperation. For some Northern donors Brazil is now both a recipient and a partner in triangular arrangements.

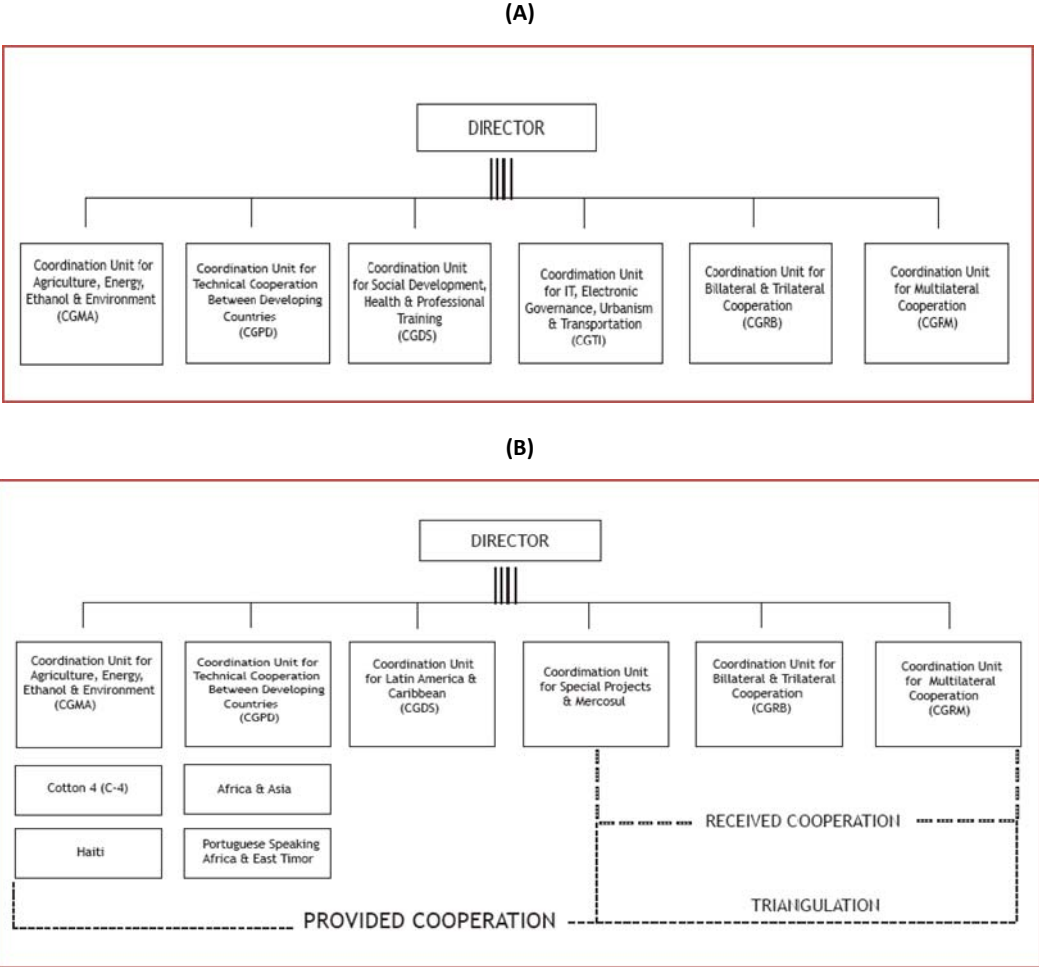
currently one of the world’s top participants in trilateral cooperation and ABC manages a growing number of projects under this modality – approximately 88 projects across 27 countries.

It is worth noting that, in the case of triangular cooperation, the identification of demands does not always result, at least in first instance, from bilateral relations that exist between Brazil and recipient countries. In some cases, the opportunity for cooperation in a Southern country emerges from dialogue between Brazil and another donor agency, sometimes drawing on the experience of the donor agency in that particular country.¹²

2.5 ABC’s internal structure and human resources

ABC is marked by strong centralisation, with Coordination Units responding directly to the Director. Its formal structure does not conform to how cooperation is *de facto* practiced (Diagram 2).

Diagram 2 - ABC organogram: formal structure (A) versus practice (B)



Two concurring organising principles exist: geographical and thematic. The majority of the demands received by ABC come from agreements negotiated bilaterally with beneficiary countries, hence the geographical logic. However, there has been an attempt to provide a thematic axis to ABC with a re-structuring Decree passing in 2006 and consolidating the Agency’s

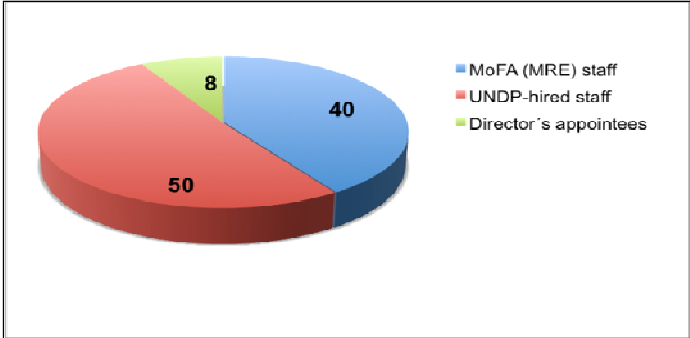
¹² A more complete analysis of triangular cooperation in Brazil is presented in Annex III.

current formal structure. Although most units are clustered around geographical criteria, they carry the thematic nomenclatures inherited from this process.¹³

Strikingly, all units are now engaged in technical cooperation with developing countries, even those initially conceived to deal exclusively with technical cooperation received by Brazil, such as the Coordination Unit for Received Bilateral Technical Cooperation (CGRB) and the Coordination Unit for Received Multilateral Technical Cooperation (CGRM) – Diagram 2(B). This reality is not captured in ABC’s formal structure – Diagram 2(A). In the case of CGRB and CGRM, this shift is reflected in the growing number of received bilateral or multilateral cooperation programmes morphing into triangular cooperation initiatives with developing countries. Thus, SSC competencies are being enlarged beyond the scope of the Coordination Unit for Technical Cooperation between Developing Countries (CGPD), which is, *a priori*, the management unit designated to oversee SSC.

Despite the growing number of SSC projects, ABC is understaffed, with only 160 employees in total. Of these, approximately 100 are working directly on technical cooperation and managing more than 400 SSC projects across 58 countries. This shortage is aggravated by the fact that a significant number of employees comes from *Itamaraty*, being either career diplomats, chancellery officials or chancellery assistants (Chart 7). As such, they can be relocated to other areas according to the MRE’s needs and interests. UNDP contracts represent the bulk of the Agency’s overall staff, but most of these employees receive yearlong contracts that can only be renewed once. The permanence of the Director’s appointees is closely associated with the duration of the management cycle, which is not regularly determined, given that Directors are senior diplomats. In addition to headquarters staff, ABC has about ten focal points abroad, distributed among its technical cooperation hubs (*Núcleos de Coordenação Técnica*) located within Brazilian embassies.¹⁴ As facilitators, these focal points provide mainly logistic and operational support to the Agency at country or regional level, but they also receive short-term contracts. By and large, it is estimated that the maximum period an employee stays at ABC is 2 to 2.5 years in average, indicating a high turnover rate.

Chart 7 – ABC staff working on technical cooperation, by type of contract (number)



Source: ABC.

¹³ For instance, CGDS (*Coordenação Geral para Saúde e Desenvolvimento Social*) should be, in theory, responsible for projects relating to social development, education, professional training and health. In practice, it oversees cooperation projects in Latin America and the Caribbean. The same inconsistency is true to the CGRMA (*Coordenação Geral para Agropecuária, Energia, Biocombustíveis e Meio Ambiente*), which, in addition to managing the C-4 and other groundwork projects, should have overall centrality in projects relating to agriculture, energy and environment. Nonetheless, small-scale projects in these areas are scattered among different Coordination Units, according to a geographic logic.

¹⁴ In Cape Verde, Angola, Mali, Kenya, in East Timor, Mozambique, S. Tome & Principe and Guinea-Bissau.

3. Study findings

3.1 Broad changes: from recipient to provider and global player

Brazil's cooperation with developing countries (or *between* developing countries, as Brazilian authorities prefer to call it) **has received a major boost during the current administration.** The number of development cooperation initiatives and the volume of resources channelled to support them have increased significantly over the past few years (cf. Charts 1 and 2). Concurrently, remarkable economic and social achievements during the last decade have contributed to Brazil's graduation to middle income country status and to a progressive decline in bilateral and multilateral assistance programmes for the benefit of Brazil. **As result, the country is gradually switching from a position of recipient to a position of provider of development assistance, particularly technical cooperation.** Although Brazil is still, by international standards, a relatively small 'donor', the volume of technical cooperation is expected to continue to display a steep upward trend in the coming years.¹⁵

This trend goes in tandem with the country's foreign policy trajectory. Brazil holds the ambition to become an influent player in international relations¹⁶, in line with the country's socio-economic achievements and increasing influence in global fora (e.g. Brazil is seen as one of the world's top trade negotiators). President Lula da Silva has energised foreign policy and significantly expanded Brazil's diplomatic presence across the globe – the President holds a record of official country visits and, during its administration, 37 new Embassies have opened (or reopened) across the world.¹⁷ Earlier concentration of diplomatic affairs within the American continent and PALOP countries has given way to a much more geographically dispersed agenda, which encompasses countries in non-Lusophone Africa, Asia and the Middle East. Development cooperation is following this route and new South-South Cooperation (SSC) initiatives originate primarily from official country visits by the President or the Minister of Foreign Affairs, Celso Amorim, or from diplomatic representations abroad. Cooperation with developing countries has therefore emerged as an important foreign policy operational instrument.

3.2 Institutional void and adaptation

The Brazilian Cooperation Agency, ABC, is, as result of these broad changes, undergoing significant transformation. Its budget has more than tripled over the past couple of years and its technical staff has also expanded, albeit at a lesser rate. There is a widespread perception that ABC has, in recent years, become an increasingly agile organisation with a clearer vision of cooperation and of what it wants to be as an agency. **There are, however, many challenges that need addressing before ABC is turned into a fully-fledged development cooperation agency,** with a structured cooperation strategy and the institutional and technical means required to operate effectively in developing countries.

A major institutional hurdle is that Brazil currently provides development cooperation with the legal framework of a recipient country. **No specific legislation has yet been produced to regulate cooperation provided by Brazilian public sector institutions to developing countries.** Existing legislation only contemplates received cooperation from foreign bilateral or multilateral organisations. With a legal framework that is lagging behind, ABC's international projection is handicapped by its incapacity to perform basic development assistance functions, such as buying

¹⁵ Informants from both governmental institutions and civil society were unanimous in viewing the current trend as immutable, irrespective of which candidate wins the upcoming Presidential elections.

¹⁶ Winning a permanent seat on the UN Security Council is a key foreign policy objective.

¹⁷ During the same period, almost 40 embassies have opened in the Brazilian capital (Monocle 2010).

or hiring abroad for the benefit of non-Brazilian institutions and citizens. In order to circumvent this legal impediment, a mechanism has been devised involving UNDP and its worldwide network, as well as other international organisations, as executing agencies (or financial agents) in project implementation. Of the BRL 52 million, which comprise ABC's project-related funds, 60% is channelled to this organisation, through projects BRA/04/043 and BRA/04/044 (see Box 2), while the remaining 40% is spread between several smaller agencies, such as ILO and IICA. This legal void shapes the way Brazilian technical cooperation is delivered and potentially constrains its capacity to expand in scale and scope and to transform its model by giving it a more adequate mandate, institutional structure (including overseas representations) and supporting cadre of technical staff.

Box 2 – Operational mechanism for executing cooperation projects overseas and the role of UNDP

There is no legal framework regulating the provision of development cooperation for the benefit of non-Brazilian institutions and citizens. As result, ABC or other Brazilian public sector agencies providing technical cooperation cannot procure goods and services or hire people overseas. They do so through UNDP and other international agencies, which act as implementing agencies of Brazilian technical cooperation.

There are two umbrella projects, managed by UNDP, which are used to execute technical assistance projects with developing countries. Project BRA/04/043 has ABC's CGPD Management Unit as counterpart and, with a budget of US\$ 17 million, provides for the implementation and execution of technical cooperation projects in developing countries, as well as for elements relating to capacity building in project management and monitoring at ABC. Project BRA/04/044 also has ABC's CGPD as counterpart and, with a budget of US\$ 26 million, contemplates implementation and execution of technical cooperation projects in Latin America, Africa and Portuguese speaking countries.

Although the Government of Brazil is the source of finance for these projects, funds are transferred to UNDP to be spent on international procurement of goods and services and contracting of staff to work on technical cooperation projects.

Sources: UNDP website and key informants' interviews.

In addition, **the institutional apparatus supporting the development cooperation function is still relatively immature and fragile**. ABC is itself a 'virtual' agency with no independence from *Itamaraty* – ABC is strictly speaking an MRE department and not an agency as such – and no own cadre of personnel. This has, according to many views, limited its ability to develop a cooperation policy and be more strategic and efficient in deploying human and financial resources. To date, ABC's activities are still, by and large, dominated by quick-fix responses to the whims of foreign policy, lacking a long-term vision. This is, nonetheless, starting to change.

Gradual and *ad-hoc* adaptation of (i) institutional arrangements, (ii) organisational structures and (iii) operational modalities is taking place in response to the rapid expansion of development cooperation activities.

- (i) As mentioned before, arrangements with external executing agencies have been devised to circumvent the legal void regarding cooperation provided to the benefit of other countries. Furthermore, some pilot *ad hoc* representations of ABC have been established in countries with important cooperation portfolios, to ensure better project management and more continuous regional presence.
- (ii) ABC's organisational structure has been through internal rearrangements, yet to be formalised, in line with the evolution of cooperation activities with developing countries. Internal Coordination Units dealing with received bilateral and multilateral cooperation are gradually moving the focus of their work towards cooperation with the South (cf. Diagram 2).

- (iii) Triangular cooperation (of various forms), involving either multilateral (e.g. ILO, UNFPA, UNESCO, OEA) or bilateral (e.g. JICA, GTZ, AECID) development agencies is increasingly used to shift the focus of received cooperation to the South, while exploring complementarities in expertise and resources between the two providers (Brazil alongside its partner development agency). Furthermore, small isolated activities are gradually giving way to larger and better structured projects with longer-term timeframes (the so called '*projetos estruturantes*') in order to enhance scope and impact of Brazilian technical cooperation.

As SSC continues to expand, there is a widespread expectation that ABC will be become an increasingly mature and autonomous agency with ability to respond effectively to the growing demand for development cooperation. A proposal on ABC's institutional reform has been drafted and sent to *Itamaraty* for approval. Elements of this proposal include (i) greater autonomy for ABC (alternative grades of autonomy have been suggested), (ii) the creation of a specific development cooperation professional career which would address current human resource constraints, and (iii) the creation of mechanisms which would grant ABC operational flexibility and the capacity to fully execute cooperation projects in developing countries (excusing UNDP's involvement in project implementation). The proposal has met some political resistance within *Itamaraty*, which is reluctant to forgo an important foreign policy tool. Some hesitation is also noticeable within the Ministry of Planning due to (technical) reservations about the ability of the current proposal to address the most critical challenge, which relates to the complexity of Brazilian public sector's legal-financial apparatus.¹⁸

3.3 Operational challenges

ABC's cadre of technical staff is insufficient to ensure stability of the agency, continuity of work and protect the agency's institutional memory. (ABC has already identified the inadequacy of its current staffing.) None of the three existing categories of technical staff working at ABC (career diplomats appointed by *Itamaraty*, ABC Director's appointees (*Cargos de Comissão*) and staff contracted through UNDP capacity building project) guarantees the long-term stability and specialisation on development cooperation required for the organisation. Furthermore, the number of technical staff is deemed insufficient to manage effectively a quickly expanding and increasingly diversified portfolio, as well as responding to escalating calls to participate in international fora on development cooperation.

In addition, **there are expertise gaps that hamper ABC's work.** Currently, most ABC technical staff has essentially operational project management functions. Strategic functions, such as planning, coordination and communications, are centralised at the Director's level. Although specialised technical expertise is provided by Brazilian partner agencies across a range of thematic areas (such as Embrapa on agriculture, SENAI on professional training or Fiocruz on health), it is generally recognised that certain additional competences would be required to conduct work more effectively. Specialised training in international development and field experience would, according to some views, allow the Agency to have a better interface with stakeholders in beneficiary countries and with specialised partner organisations in Brazil, to perform planning and monitoring and evaluation functions more effectively, and to use field experiences to inform ongoing debates on development issues.

Furthermore, **insufficient degrees of coordination and exchange of experiences are noticeable at various levels.**

¹⁸ An important feature of such system is the very tied structure, by Constitution, of the national budget, which would represent an obstacle to the expansion of the development cooperation budget.

- (i) Within ABC, there are no mechanisms to ensure cross-agency coordination and exchange, except for the role played by the Director himself. There are a number of recurrent technical cooperation themes (e.g. malaria prevention, milk banks, professional training centres, agricultural research, etc.), which, given ABC's geographical structuring, are managed by different staff members, in line with the distribution of country portfolios. Under this arrangement, there is little scope for cross-learning and consolidation of best practice.¹⁹ Furthermore, there has been little or no exchange across the *ad hoc* country representations of ABC, the *Núcleos de Cooperação Técnica*, hosted by Brazilian diplomatic representations in a handful of countries.
- (ii) There is also insufficient coordination and exchange of experiences across Brazilian institutions. The many Brazilian providers of technical cooperation (mainly, but not exclusively, governmental) operate largely independently from one another and there is no institutionalised mechanism for sharing experiences and exploring complementarities in their work. There are, however, some isolated attempts to enhance coordination: AISA, the Secretariat for Health-related International Affairs, at the Ministry of Health, has created a working group on international cooperation (called *Grupo Temático de Cooperação Internacional em Saúde*) to improve coordination across cooperation initiatives in the health sector.²⁰
- (iii) There is also insufficient coordination and exchange of experiences between Brazilian executing agencies and other development cooperation agencies operating in recipient countries. This is partly because ABC does not have institutional presence at country level, except for the few *Núcleos*, and due to the fact that cooperation is essentially driven by foreign policy, thus, focused primarily on government-to-government relations.

Monitoring and evaluation of development effectiveness and impact remains a major gap of Brazilian technical cooperation. With very few exceptions (e.g. some projects by SENAI and MS), current technical cooperation initiatives in developing countries do not incorporate an M&E element. There are no final evaluations of outcomes and results achieved or impact of interventions. The poorly functioning SAP (*Sistema de Informações Gerenciais de Acompanhamento de Projetos*) encompasses mainly administrative aspects of project management (i.e. the recording the administrative type of activities such as missions held and communication between parties) and does not capture the type of information required to assess effectiveness of Brazilian cooperation. Recent initiatives, such as the one to assist Cotton 4 countries and some projects executed in conjunction with the Ministry of Health (MS), are slowly beginning to incorporate an impact assessment component, but, for most part, this issue remains unaddressed or underdeveloped. Lack of institutional capacity accounts for much of this shortfall. ABC is, nonetheless, working closely with UNDP to overcome this institutional bottleneck, developing capacity in project assessment and management. Some Brazilian providers of technical cooperation are also making progress. For example, MS and Fiocruz are currently developing an M&E tool for health projects with the aim of introducing impact evaluation as part of their routine work.

Likewise, **documentation and dissemination of experience and best practice seem still to be very limited.** Currently publications on Brazilian technical cooperation tend to be broadly descriptive (describing in very general terms the type of project, activities and institutions involved) and do not set out the technical details of the projects (e.g. what are the challenges that need addressing, impact envisaged, risks to be faced, sustainability). However, some

¹⁹ For example, there are agricultural research projects across a number of countries in different world regions – e.g. Haiti, Mali and Mozambique. These projects are managed by different staff members.

²⁰ A coordination meeting on cooperation in Angola has recently taken place.

executing agencies at sector level are starting to invest in knowledge management activities. For example, MS is planning to create a publication on development cooperation best practice in health with the aim of improving cooperation in this area, making it more strategic and less reactive and dependent on the political agenda.

3.4 Debating international development – the missing link

Brazil's presence in international debates on development cooperation has to date been relatively modest. This has in some cases been intentional, as a reaction against what it perceives as an unbalanced debate that has been dominated by the views and standards of Northern nations. Yet, there has been little capacity to use Brazil's experiences (internally and in developing countries) to inform global debates on international development (not only on aid but also on thematic issues, such as social development). Brazil's participation in international events on development issues tends to carry a predominantly political motivation (these events are typically attended by MRE staff) with little technical substance backing it up.

There is still no domestic constituency for international development and development cooperation in Brazil. These issues are not yet part of the public interest and debates on them remain confined to the academia or a small number of NGOs and civil society organisations operating in Brazil. There are, however, a number of experts in the field that could be brought together to form an active network of thinking and advocacy on development cooperation.

4. Discussion

The origins of Brazilian technical cooperation with developing countries can be traced back to the 1970s and 80s. The 1978 Buenos Aires Plan of Action represents a key milestone in the evolution of South-South Cooperation (SSC) and ABC, created in 1987, progressively evolved to become Brazil's coordinating body for cooperation between developing nations. Yet, it is undeniable that during the last few years Brazilian SSC has been given unprecedented impetus, and this cannot be dissociated from the country's foreign policy. Changes have been occurring quite rapidly and, despite the many challenges faced, Brazilian institutions have on the whole displayed remarkable flexibility and adaptation capacity.

Technical cooperation is expected to continue its ascending trajectory, both in terms of volume of resources available to finance SSC initiatives and terms of capacity of Brazilian institutions and systems and sophistication of cooperation modalities. Moving forward, a number of critical issues require further discussion and fine-tuning.

4.1 The thorny quest for autonomy

ABC's autonomy is an inescapable issue. The expansion and consolidation of ABC as a mature development agency with a structured cooperation agenda is predicated on greater institutional autonomy, including more permanent staffing (i.e. own cadre of personnel), in-country representations and mechanisms which would allow direct execution of projects abroad. A proposal containing these elements has been drafted by ABC but the final decision on it is yet to be publicly announced by *Itamaraty*. This impasse on ABC's autonomy is likely to undermine the effective performance of coordination and strategic planning functions, in-depth and continuous engagement with beneficiary countries' institutions and processes, the required investments in technical staff, and, as result, the efficient use of resources.

Addressing the issue of institutional reengineering of ABC is a complex matter which cannot be treated casually. It requires a detailed analysis of all possible options, which bears in mind the complexity of the Brazilian public sector's legal-financial apparatus. An important question that needs to be asked is whether ABC should continue to restrict its remit to technical coordination or whether it should also coordinate other forms of cooperation, including humanitarian and financial assistance. Could the *Banco Nacional de Desenvolvimento Econômico e Social* (BNDES), or indeed other Brazilian banks, be brought on board to operate as financial agents for development-related concessionary lending?

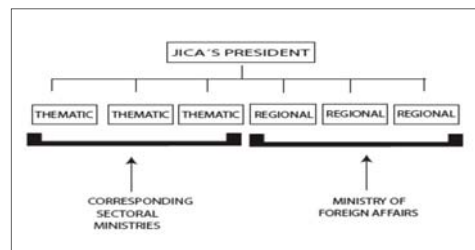
Other countries' models, from either North or South, could be instrumental to the analysis. Even though the underlying cooperation philosophy and principles of Northern development agencies are perceived to be different, it is undeniable that developed countries have been through similar restructuring exercises in the past which should not be overlooked – Box 3 offers a succinct account of JICA's structure, noting past similarities with ABC. Other countries, from Germany to South Korea, could also provide informative accounts about their cooperation agency models.

In addition, there would be value in opening up the discussion about suitable development cooperation models for Brazil to all relevant groups, particularly all those involved in the provision of development cooperation, as well as civil society organisations and experts with experience and knowledge about development issues.

Box 3 – JICA's institutional structure

Created in 1974, Japan International Cooperation Agency (JICA) is the source of one of the world's largest bilateral development assistance programmes, with a size of US\$ 14.6 billion (aid disbursed in 2008, according to OECD-DAC online statistics) and 1,664 staff members. Having started as a special public institution (or quasi-government organisation) administered by Japan's Ministry of Foreign Affairs and with a mandate to implement technical cooperation projects abroad, JICA shifted to being an independent administrative institution in 2003. In 2008, it merged with the Overseas Economic Cooperation section of the Japan Bank for International Cooperation (JBIC). In this recent structure, JICA streamlines the three schemes of Japans' official development assistance: traditional technical assistance, concessionary loans extended by JBIC and part of the grant aid provided by the Ministry of Foreign Affairs to developing countries. The status change was considered necessary to improve the organisation's efficiency, equipping it with rigorous target-setting, project evaluation and transparency.

At headquarters level, JICA comprises 34 sub-divisions. Approximately 18 of them are directly involved in development assistance, of which 7 are grouped according to regional criteria and 10 according to thematic criteria. As sketched below, geographical divisions respond to Japan's Ministry of Foreign Affairs and, thus, follow priorities determined by foreign policy objectives; thematic divisions are supervised by the relevant sectoral ministry. Although there is no formal hierarchy between these two types of divisions, geographic divisions take overall responsibility for regional portfolios, while thematic ones are in charge of managing projects in their specific areas of expertise.



Sources: Interview with JICA officials in Brazil, Dentsu (2010) and JICA website.

4.2 Building up Brazilian cooperation's developmental character

Brazilian technical cooperation is fundamentally driven by foreign policy. Developmental objectives are often concurrent but come second to diplomatic aims in the ranking of priorities. The absence of a development foundation sustaining Brazilian technical cooperation is noticeable across various areas. Technical staff working on international cooperation generally lacks the desirable formal training or field experience in development. Critical aspects of project design and implementation in development cooperation – such as risk assessment, equitable access to benefits, M&E and sustainability – are largely absent in projects.

Furthermore, there has been little or no attempt to link up Brazilian cooperation experiences with ongoing debates on international development. Engagement with international debates is an essential step towards the establishment of Brazilian cooperation as an international reference in SSC. This engagement does not imply adherence to the current dominant orthodoxy, but constructive dialogue and contrasting of cooperation models which can help advance the debate.

4.3 Sustainability of South-South cooperation and the emergence of trilateralism

Brazil has a number of successful experiences across various areas that are of great relevance to developing countries' development processes. Experiences in agriculture (e.g. agricultural research and innovation), health (e.g. antiretroviral treatment, milk banks) and, more recently in social protection (e.g. *Bolsa Família* programme) are particularly well known.

As a recipient of development assistance, Brazil has for many years benefited from financial and technical cooperation provided by developed nations. Such assistance has played an important role in nurturing and consolidating success stories across various fields. For example, Embrapa has received significant support from bilateral donors to access technical and scientific innovation and train its researchers. MDS has had support in defining various operational mechanisms for the *Bolsa Família* programme.

Could the gradual decline of bilateral cooperation compromise the future of Brazil's SSC? There are contrasting views on this. Some think Brazil has sufficiently consolidated institutions and advanced technologies (world-leading in several areas), granting the country a degree of 'self-sufficiency' in the provision of SSC. More sceptical voices argue that developed nations still represent important sources of technology and expertise, which are essential to sustaining future cooperation with the South.

Triangular cooperation has recently emerged as a new modality of technical cooperation which, to some extent, addresses such concerns. It consists of a tripartite partnership typically comprising a northern provider of financial and/or technical assistance, a southern provider of technical assistance and a southern recipient country. Although it is premature to draw lessons on the modality's success, it is generally believed that, by bringing together the complementary strengths of different partners, it can be an effective mechanism to promote development, while benefiting all parties.²¹ From Brazil's point of view, trilateral cooperation can potentially help building its capacity as provider of SSC and secure access to cutting-edge technological innovation and expertise available in developed countries, while strengthening relations with northern donors and scaling up technical cooperation provided to other developing countries.²²

There are, nonetheless, some concerns that require further reflection. Firstly, the domination of providers' interests in setting the terms of the partnership and insufficient engagement by beneficiary countries in the design of trilateral agreements compromises local ownership of thereby supported development projects. Trilateral agreements are in effect formalised through bilateral memoranda of understanding signed between the providers, i.e. Brazil and its partner from a developed country.²³ Are the views, interests and expectations of beneficiary countries sufficiently reflected in this new modality of development cooperation?

Secondly, by bringing multiple parties together, coordination and harmonisation challenges inevitable arise, potentially triggering higher transaction costs in the delivery of development cooperation. Alignment with northern partners' cooperation principles and operational procedures is an imminent source of contention; particularly where those principles and procedures are strongly tied to a development cooperation framework Brazil is reluctant to adhere to (e.g. Paris Declaration on Aid Effectiveness).

Linked to the above, there are fears that policy independence and the (political) benefits associated with bilateral cooperation get diluted in this form of partnership. Both India and China have displayed reluctance to enter trilateral partnerships for this reason. The same argument has been echoed in Brazil. To some extent, such argument reinforces the point made earlier that political aims still take precedence over developmental objectives in Brazilian development cooperation.

²¹ The pros and cons of trilateral cooperation are discussed in Annex II.

²² Brazil's experience with triangular cooperation is overviewed in Annex III.

²³ Separate bilateral agreements are then signed between the recipient and each of the providers; or, in some cases, only between Brazil and the recipient country.

5. Recommendations and conclusion

The recommendations provided by this study aim to contribute to the debate on the future of Brazilian development cooperation, with a focus on technical cooperation with developing countries. They can be grouped into two categories, one related to the conceptualisation of a development cooperation model for Brazil and another related to operational mechanisms for making cooperation more effective.

5.1 Conceptualisation of model for Brazilian development cooperation agency

Brazilian development cooperation has been through considerable changes over recent years, prompting institutions and systems to adjust in an *ad hoc* fashion. In order to move forward and respond successfully to the expectations and responsibilities Brazil is increasingly facing as an emerging player in international development, development cooperation needs to become more strategic and systematic. The first step is to address the current vacuum that characterises the regulatory framework for providing it. To this end, the study offers the following recommendations:

1. **Revisit the model of development cooperation agency required to address future needs.** Should ABC continue to be focused exclusively on technical cooperation or should it aim to coordinate all forms of development cooperation provided by Brazil? All possible options should be put on the table, bearing in mind the complexity of the public sector's legal-financial machinery.
2. **Inform the decision by conducting in-depth analyses of other models of development agencies,** looking at their operational structures, mechanisms and regulatory aspects. Several countries, from North and South, currently have or had in the past development cooperation agencies with similarities features to those found in Brazil (e.g. Chile, Germany, Japan, South Korea). Even where development cooperation policy is different, the operational structures and mechanisms might provide a useful source of inspiration. Models from countries which have switched from recipient to donor status, such as Eastern European countries or Germany and Japan in the 60s, would be of particular interest to Brazil.²⁴
3. **Open up the debate on Brazil's development cooperation agency of the future to all Brazilian cooperating institutions as well as civil society.** The discussion has to this date been confined to a restricted number of players. Some Brazilian cooperating agencies (such as MS, MDS, Embrapa and SENAI) are already quite advanced in discussing critical issues (such as strategic planning, staff training, M&E, documentation of experiences and identification of best practice) and could therefore provide an important contribution to the debate. Furthermore, there are a number of Brazilian academics and experts who have done research on development cooperation and who could be useful sources of ideas as well as potential allies of a strategy for greater autonomy of ABC.
4. **Hear what beneficiary countries have to say,** by conducting surveys on beneficiaries' perceptions about the relevance, value added and effectiveness of Brazilian cooperation. Little is known about the views, interests and expectations of recipient countries vis-à-vis Brazilian cooperation, including in relation to the emerging modality of trilateral cooperation.

²⁴ Thanks to Sheila Page for this suggestion.

5.2 Strengthening technical cooperation's operational effectiveness

Building on initiatives already envisioned by ABC, this study also suggests a number of practical recommendations which aim to contribute to strengthening technical cooperation's operational effectiveness. They are directed mainly to ABC, as *de jure* coordinator of technical cooperation in Brazil. Although these recommendations are somewhat independent from the debate on the Agency's model, their feasibility and impact is to a large extent predicated on ABC's autonomy, which is considered by many to be a matter of uttermost priority. The issue of autonomy is currently being pondered by Brazilian authorities and therefore this report will not dwell further on it.

The practical recommendations are as follows:

5. **Revitalise the planning function within ABC.** Currently, technical cooperation is essentially driven by foreign policy prerogatives, often resulting in short-sighted interventions which do not necessarily make the best use of available resources. Strategic planning is required to give ABC, and indeed overall technical cooperation, better focus and make it less reactive and subjected to the vagaries of the political agenda. Some cooperating institutions have already started taking steps in this direction (e.g. MS). Within ABC, there was an (unsuccessful) attempt in the past to strengthen planning through the creation of a specific coordination unit. This strategy needs revisiting, although the effective performance of a planning function is dependent upon some degree of autonomy, which allows for the application of criteria to filter demands and adjust them to supply capacity. It is worth noting that the strengthening of a planning function does not contradict the demand-driven logic and non-interference character of Brazilian cooperation. The idea would be to give Brazilian development cooperation better focus and provide more structured guidance to recipient countries on the areas where Brazil can provide expertise best.
6. **Build up a team of development experts.** Staff currently working on development cooperation, either at ABC or at other Brazilian cooperating institutions, lacks the required profile on international development and there is an urgent need to address such gap. Again, this is an issue which is dependent on greater stability of staff (which is linked to autonomy). Some Brazilian institutions are already making progress and it is worth building on these initiatives. For example, MS has been seeking, with support from WHO amongst others, to train its technical staff on a variety of relevant topics, such as humanitarian assistance and project elaboration and management. Furthermore, the Public Administration National School (ENAP), with GTZ's support, is expected to develop a modular training programme on public administration, with a focus on international cooperation. This is a welcome initiative and it is crucial to ensure that the programme incorporates a robust international development syllabus with a well-researched empirical basis.
7. **Define the rules of the game and provide leadership.** There is an urgent need to have clear guidance on the operationalisation of technical cooperation. There is a lack of guidelines at various levels. For example: (i) guidelines clarifying formal and informal relationship between the many Brazilian parties involved in technical cooperation, (ii) guidelines establishing routine project management procedures, which are essential in a context where there is high staff turnover, and (iii) guidelines setting standards on how to operate in developing countries and interact with local stakeholders. Once again, some Brazilian executing agencies have already started defining internal procedures to address current gaps (e.g. SENAI has developed a project management manual for its own use). There is, however, a widespread expectation that ABC should provide a more active

leadership role in these areas. ABC should capitalise on this sentiment and seize the opportunity to position itself more centrally in these processes.

8. **Build M&E into all technical cooperation projects**, drawing on existing systems and indicators at country level and linking them up with global development indicators, such as the Millennium Development Goals.
9. **Promote coordination across Brazilian cooperation providers** in order to enhance coherence and explore synergies in the provision of technical cooperation. ABC should be the driver of such coordination process. It is suggested that it hosts annual meetings on international cooperation and development to promote the sharing of experiences and jointly devise strategies for addressing common challenges. Coordination efforts should include not only Brasília-based institutions but also state-level providers as well as representations overseas.
10. **Strengthen the interface with recipient countries** by seeking to have regular dialogue with country stakeholders. A better balance of stakeholders is also required and there should be an effort to liaise with non-governmental actors and other donor agencies operating in the same (thematic and geographical) territory, for the sake of enhanced planning, execution and monitoring of projects.
11. **Document experiences with Brazilian technical cooperation** by assessing outcomes and results achieved with executed projects. This should go well beyond an administrative description of activities undertaken. In-depth analyses on changes made and sustainability of improvements are required. Beneficiaries' perceptions should be a critical input to the analysis.
12. **Promote dissemination of best practices, both internally, within ABC and across Brazilian cooperating institutions, and externally, within and beyond national borders.** In order to do it effectively, ABC will need to revitalise its communications function, with the proviso that communications should not focus exclusively on promotional aims but also on supplying specialised information about experiences with technical cooperation.
13. **Strengthen the analytical basis of cooperation policy and practice** by linking field experiences and best practice with global debates on international development. This can be done through externally commissioned thematic studies, using expertise available in Brazilian research institutions.
14. **Build a more vigorous engagement with international debates on international development**, not only on themes Brazil has gained high reputation, such as agricultural research and social protection, but also on topical issues, such as SSC, trilateral cooperation and aid effectiveness, on which Brazil's experience can add considerable value.

To conclude, Brazilian development cooperation with developing countries is a relatively infant field. Its institutions, systems and procedures are still undergoing considerable transformation and adaptation. Many findings and recommendations put forward in this report are not new to Brazilian experts and practitioners in the field, as they have been the subject of ongoing discussions and processes. This study hopes, however, to have been able to systematise available knowledge and shed light upon the most critical issues that need to be addressed in order for the country to continue walking the route towards establishing itself as a reference on international development. Brazil is increasingly well placed to infuse fresh and subsidiary inputs into outstanding global debates.

Annexes

Annex I. Terms of reference

To establish a dialogue on Cooperation for Development with the Brazilian Agency for Cooperation

Background

Brazil's Agency for Cooperation (ABC) was established in 1987 as part of the Ministry of Foreign Affairs, with a focus on transfer of technical expertise from Brazil to developing countries. Up to [2009], R\$70 million²⁵ has been spent solely by ABC in 56 countries, particularly in lusophone Africa and Latin America. ABC is growing.

The budget for the year 2008-2009 was \$28 million, of which 50% to Africa. The pipeline up to the year 2012 is \$38 million.

Brazilian cooperation is derived from its foreign policy goals, where the promotion of South-South dialogue plays a leading role in building new alliances in a multi-polar world. The emphasis of Brazilian cooperation is supplying technical, not financial, assistance.

Brazil's domestic social protection programmes are internationally recognized because of their positive impact on poverty and inequality reduction. Additionally, Brazil has established world class expertise in areas such as tropical agriculture through EMBRAPA, a state financed enterprise, and health through the Oswaldo Cruz Foundation ('Fiocruz').

In today's evolving world, this focus and style of cooperation is relatively conservative. Brazil, which is an increasingly visible and important player globally, needs to be agile in the face of changing demand, and able to demonstrate concrete impact on the ground in terms of the MDGs. The rising interest in Brazil from various parts of the world, often accompanied by requests for assistance, will also put increasing pressure on the country and ABC to deliver more, and in a sustainable way.

In recognition of the rising demand on Brazil to engage in international development activities and fora and in view of the need to consider the future direction and orientation of Brazil's development thinking towards developing countries and globally, the ABC has requested a strengthened partnership with DFID.

DFID is well placed to partner the Government of Brazil in this area, given its own experience of development cooperation. Moreover, development cooperation is an area where Brazil has much to offer global debate and best practice based on its field experience. The new partnership between the UK and Brazil, focused on Brazil's growing role as a key actor on a range of global issues can usefully contribute to Brazil's work and promote a structured discussion on cooperation for development.

The focus of this consultancy is to think through issues and options around the vision, structure and implementation of cooperation for development through ABC, given Brazil's current context. ABC requests two or more specialists to undertake an initial visit to Brazil to scope the issues,

²⁵ This amount is an underestimation of the real figures of the Brazilian South-South technical cooperation. The budget of South-South cooperation programs supported by ABC does not include the costs of the in-kind contributions from the Brazilian cooperating agencies (e.g. short and long-term experts, equipment, scholarships, materials, etc.). Besides, these investments from Brazilian institutions are not submitted to a currency parity comparison.

engage in initial discussions, and identify options for the future, including suggestions for the overall UK-Brazil partnership,

Purpose

- To provide perspectives and options for the Brazilian Government to review and potentially re-organise its development cooperation vision and modus operandi

Tasks

- To assess current profile of Brazilian Technical Cooperation– and the key regional and international processes with which Brazil engages
- To engage in initial discussions on key areas e.g.:
 - International policies for progressing development
 - the appropriate policy framework for Brazilian cooperation for development including in capacity building.
 - Modalities for international development cooperation
 - International institutions and processes for development
 - how to promote appropriate approaches for Brazil (eg triangular cooperation, support to multi-laterals, technical cooperation)
 - Ways of harmonizing the work of different development actors
 - Systems to evaluate impact of cooperation on development goals and targets, and appropriate systems for Brazil.
- Outputs sought by end of partnership are options for:
 - The development vision and consequent policy framework for Brazilian cooperation for development including within the scope of ABC's institutional mandates.
 - Possible modalities for Brazilian international development
 - Ways for Brazil to improve co-ordination between development actors
 - Ways for Brazil to promote their development cooperation goals through participation in multilateral and international fora.
 - Systems to evaluate the impact of Brazil's cooperation on development goals and targets on the ground
 - the basis and form of the UK/Brazil partnership.

Duration and timing

The consultancy will be for two persons and of up to 30 person days. It will include: up to 3 days preparatory reading on Brazil and its aid programmes; a visit to Brazil of 5 days; plus report writing time. It will be undertaken in [March] 2010.

Way of working

The consultants will during their field visit hold:

Individual and group discussions with the Director and senior staff of ABC, ABC's key national partners, plus other key development interlocutors

Discussions or workshops with relevant Ministries, ABC, and national institutions, including discussions with other foreign Partner agencies

Report

The consultants will produce a report of maximum 20 pages, excluding annexes and including an executive summary. The report will cover the areas set out under tasks above, plus any other areas which the consultants consider to be relevant to the future of Brazil's development cooperation. The first draft will be produced within [14] days of the end of the visit. ABC and DFID will provide comments on this report, separately, within one week. The final report will be produced within one week of receiving both sets of comments.

Management of consultancy

The consultants will report to Minister Counsellor Marco Farani, Director of ABC. The consultancy will be managed by the Global Issues Policy Officer in the British Embassy, Brasilia.

Skills and competencies required

Sound knowledge of the international aid system

Sound knowledge of the development challenges facing large emerging economies

Proven working knowledge of DFID's vision, and systems

Proven communication skills

Proven track record of strategic development studies.

Annex II. Literature review on SSC and triangular cooperation

Historical milestones, concepts, issues and trends

1. South-South Cooperation (SSC)

South-South cooperation is not a recent phenomenon, but it has gained momentum since the late 1990s with a newly found interest in the economic and political potentials of this form of collaboration. The renaissance of SSC is linked to its capacity to tap into spaces left by the withdrawn of traditional North-South forms of assistance, as the North agenda becomes increasingly more selective and framed around security issues (CEPAL 2010: 3).

The concept dates back to the 1955 Bandung Conference, when leaders of 29 developing countries came together to advance the promotion of collective self-reliance as a political imperative. Subsequently, with the establishment of the Group of 77 (G77), in 1964, South-South cooperation was seen as an integral part of the intergovernmental organisation's agenda to promote developing countries' common interests in support of a proposed New International Economic Order. Their view was that a concerted effort among countries of the South could greatly increase their bargaining position in relation to the developed world. Despite the assumption taken by the New Economic Order that developing countries had more commonalities than they actually had, SSC goals persisted, leading to the establishment of a Working Group on Technical Cooperation among Developing Countries (TCDC) by the UN General Assembly in 1972.

In 1978, leaders from these countries gathered to set the Buenos Aires Plan of Action (BAPA), a document that represents a major milestone in the evolution of technical cooperation among developing countries, as it provides the conceptual framework and programmatic goals of South-South Cooperation. The economic downturn of the 1970s and the shocks derived from the two oil crises posed serious impediments to the idea of a collective South, negatively impacting the development of South-South collaboration throughout most of the 1980s and late 1990s.

In 1999, the High-Level Committee on the Review of TCDC, in its 11th session, acknowledged the important role played by SSC as a complement, but not a substitute, for North-South cooperation. The review coincides with a period marking the rejuvenation of SSC as a new selective type of cooperation both in terms of actors and themes (Lechini 2005). In 2005, a Forum organised jointly by the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) and the UNDP brings together for the first time members of OECD/DAC and a wide range of non-OECD governments involved in South-South initiatives, seeking to promote greater dialogue and mutual understanding among the world's principal providers of development cooperation. In 2009 a Task Team on South-South Cooperation (TT-SSC), a southern-led multi-sectoral platform hosted at the Working Party on Aid Effectiveness (WP-EFF) at the OECD/DAC, was created to bring partner countries together with the aim of mapping, documenting, analysing and discussing evidence on the synergies between the principles of aid effectiveness and the practice of SSC. This development illustrates the growing interest of traditional development actors in engaging with (re-)emerging Southern actors, with the recognition that developing countries' skills and solutions, shared through SSC and TSSC, can be extremely relevant to their peers, contributing to enhance development effectiveness overall (CUTS 2005: 2 , TT-SSC 2010: 1).

A clear definition of SSC has proved hard to reach, largely because the South is not homogeneous (CEPAL 2010: 1). Nonetheless, it is possible to identify some operating principles guiding SSC. In this perspective, it can be understood as a broad framework for collaboration among countries

sharing levels of development that are significantly below those of the developed countries, although they may not be similar, in the political, economic, social, environmental and technical domains, which can involve two or more developing countries, and take place on bilateral, regional, sub-regional and interregional basis (SU-SSC 2009, CEPAL 2010: 1).

Recent developments in South-South cooperation can be illustrated by the increased volumes of trade, movements towards regional integration, flows of foreign direct investment and technology transfer, as well as various forms of exchanges between countries of the South (SU-SSC 2009). It includes therefore not only the sharing of experiences and technology, skills transfers, grants and concessional loans provided by one Southern country to another to finance projects, programmes, debt relief and humanitarian assistance, but also preferential market access and trade-oriented supports. In these terms, South-South cooperation involves elements of classic official development assistance (ODA), but goes beyond the OECD/DAC definition (Schlager, 2007: 2).

Having historically evolved from efforts to promote horizontal collaboration, SSC is believed to be underscored by principles of mutual solidarity, representing a mechanism through which developing countries work together to address common development challenges (UNDP 2004: 2). Hence, by emphasizing joint action with mutual benefits, it blurs traditional hierarchy lines between recipients and providers of assistance. According to this reasoning, South-South cooperation should:

- foster closer technical and economic cooperation among developing countries for the sharing of best practices,
- identify common interests and address common concerns, allowing developing countries to diversify and expand their development options and economic links;
- build new partnerships, creating more democratic and equitable forms of global interdependence and global governance. (*ibid*)

Although the importance of this form of cooperation is undisputedly growing, the overall size of the development assistance provided by emerging donors is still small relative to traditional donors'. ECOSOC (2008: 10) calculates their total development assistance as having made up between 8 and 10 percent of total development assistance flows in 2006. However, given that non-OECD countries are not bound by the obligation to report against OECD/DAC standards or to publicly disclose their development assistance, it is difficult to estimate a reliable and accurate figure to their contribution (Kragelund 2010; Schlager 2007). These accountability and transparency issues are further aggravated by the lack of a shared understanding of what constitutes official development assistance and by the mixing of commitment pledges with actual disbursements, factors that hinder coordination and harmonisation (ECOSOC 2008). The absence of a coordinating body to reference and systematise data on SSC has been identified by many authors as a serious shortfall in this type of assistance (Manning 2006, CEPAL 2010, ECOSOC 2008, Sousa 2010 and Schlager 2007).

Geographical proximity tends to be an important determinant of the direction of most aid flows from emerging donors, a pattern that is motivated by language and cultural similarities, as well as opportunities for increasing trade and strengthening political relations (Kraegelund 2010: 3). But geographical proximity is not the only determinant, China and India, in particular, are strengthening their ties with Africa as well as other developing countries beyond their region (*ibid*). Given the complexity of the current global system, where new and old players engage politically as well as economically in a variety of ways, foreign trade, foreign policy and development policy interests are conflated. In a multi-polar context, SSC can be employed as a soft form of payment to poor countries, as emerging donors seek to enlarge their political and

economic clout regionally and globally (CEPAL 2010: 3, Sousa 2010: 1). Therefore, an understanding of drivers behind SSC patterns requires context-specific lenses and should be viewed in the light of a heterogeneous characterisation of South, one that accounts for the plethora of agendas that it may have.

Although the SSC rhetoric is marked by an attempt to step away from vertical North-South approaches, to varying degrees, public statements of solidarity with the recipients of assistance tend to mask the same sort of mixed motivations that characterise traditional donor-recipient relationships (Rowlands 2008: 6). Nonetheless, stressing that assistance provision can be mutually beneficial, Southern donors feel less compelled to portray cooperation as driven by purely altruistic purposes, which is perhaps justified by the fact they are less wealthy than traditional donors (*ibid*).

Depicted as a partnership between equals, SSC is seen by some advocates to lack the overtones of cultural, political, and economic hegemony, elements often associated with traditional NSC. Some emerging donors explicitly reject terms that might imply the reproduction of hierarchical roles, preferring horizontal labels to characterise their activities. This feature certainly contributes to the general perception that SSC has greater potential to foster ownership of development initiatives and build inclusive partnerships (CEPAL 2010, UNDP/Japan Partnership 2004, SU/SSC 2009, CUTS 2005, TT-SSC 2010: 5). Along these lines, another positive aspect of SSC is perceived to be emerging donors' greater familiarity with the complex contexts of recipient countries. This proximity allows for a better fit between development programmes and the needs of recipient countries, providing a particularly favourable terrain for capacity building programmes (TT-SSC 2010: 19). Such claim can be supported by the fact that a considerable part of SSC takes the form of technical cooperation.

Despite this, it is worth flagging that emerging donors still have limited experience regarding the sustainability and the ownership of their projects and programmes in recipient countries. Even if most SSC takes place in the level of governments, little attention is paid to the capacity of the recipient country in absorbing these projects into their national systems and converting them into public policy (TT-SSC 2010: 9). For instance, CCS activities are seldom aligned with national development strategies and often fragmented, elements that make it difficult for recipient countries to generate the necessary technical capacities to sustain such programmes and projects in the long run (CEPAL 2010). Hence, as with NSC, ownership is not automatically built into South-South partnerships. In the case of technical cooperation however, emerging donors use recipient's public policies rather than their PFM systems, which might indicate a high level of policy alignment, as recipient countries embed these initiatives in the policies and plans of their corresponding ministries and governmental agencies (TT-SSC 2010: 9).

Another key aspect of emerging donors' assistance that also touches the issue of ownership has to do with the non-conditionality approach. While some traditional donors' aid delivery to recipient countries is subject to the fulfilment of a set of criteria, which include standards of governance and macroeconomic requirements, emerging donors emphasise respect for national sovereignty, stating that SSC activities shall not interfere with the internal affairs of partner countries (TT-SSC 2010: 5). It has been argued that poorer the donor, the less intrusive its assistance programs and the more balanced the donor-recipient relationship (Rowlands 2008: 8). It is obvious then why the assistance by emerging donors would be preferred if it is less onerous and particularly if it leads to quicker disbursement processes (ECOSOC 2008: 21). However, the absence of conditionalities has been identified by some authors from developed country donors as a major concern. They argue that it may jeopardise reforms in recipient countries and prejudice their debt situation by offering loose borrowing terms (Manning 2006: 1). These debates illustrate the costs and benefits associated with SSC: if on the one hand it enlarges the

policy space for recipient governments, helping to bring sovereignty and ownership back to their hands, on the other, it may have the side effect of permitting bad governance (Kragelund 2010: 24). A discussion on whether these instruments are indeed effective to promote change and if emerging donors' assistance is indeed undercutting the position of traditional donors is complex and does not constitute the focus of this section. For now, it suffices to say that, although Southern providers demonstrate little, if any, due diligence with respect to social, environmental and political standards, these tend to be equally overlooked by traditional donors when their strategic interests are at stake (ECOSOC 2: 36), attesting the rather discretionary character of conditionalities.

With respect to aid effectiveness indicators, the bulk of aid provided by emerging donors is off-budget (*ibid*: 23) and most of it is tied, especially in the case of China and India (ECOSOC 2008:27). But despite the tying of assistance, it is often argued that emerging donors' assistance is adequately priced and frequently yields good-value-for-money (*ibid*), although it difficult to generalise. Southern contributors conduct significantly fewer missions to review project progress than Northern donors and do not coordinate their activities, which is probably explained by the fact that that the bulk of assistance is provided as projects and that their monitoring and evaluation systems focus on timely completion of such projects, but are not concerned with impacts (*ibid*). Emerging donors rarely participate in national donor coordination meetings, usually organised in conjunction with OECD/DAC-donors (*ibid*), and are overall cautious about too close an association with the Paris Declaration principles. This can be explained by fears that a move towards these targets might constrain their development cooperation and represent a decline of the benefits associated with their provision, notably those relating to the no-conditionality approach (*ibid*). A few emerging donors acknowledge, however, that their relative wealth in comparison to poor countries requires them to be more aligned with some aspects of the Paris Declaration framework (TT-SSC 2010: 6).

Although SSC takes place on a modest scale and still falls short of demand, as its growth is largely constrained by the availability of funding, it is becoming clear that its effects do impact traditional donors' aid in a variety of ways. Such recognition indicates the need for traditional donors to attune their policies to the changing landscape of the aid architecture (Kragelund 2010:24). Moreover, SSC is currently seen as an important space for innovation in cooperation, in that it involves a variety of actors, opens new communication channels and contributes to learning processes (CEPAL 2010). Such facts attest why these two groups of donors should see their provision of aid as complementary, rather than exclusive, furthering policy dialogue in areas of mutual interest. This approximation allows traditional donors to benefit from the positive aspects associated with SSC, such as its potential for greater ownership, for example, while helping emerging donors to overcome possible bottlenecks associated with resources and development expertise. One possible form of engagement can be triangular South-South cooperation, a modality that will be discussed in the next subheading.

2. Triangular Cooperation

Triangular South-South cooperation (TSSC) received a major boost in 1993 at the Tokyo International Conference on African Development (TICAD), and has since become known as TICAD process, in which Japanese resources are used to promote exchanges between Asian and African countries (CUTS 2005: 2). In 2004, an international conference on poverty reduction at Shanghai resolved that a broader cooperation framework including all development partners could, through the exchange of ideas, the transfer of resources and the strengthening of capacity, help facilitate the scaling up of poverty reduction efforts as well as leverage a country's development efforts (*ibid*). Subsequently, a major milestone for TSSC was the 2005 Forum organized by the OECD/DAC jointly with UNDP. There, traditional donors expressed their interest

in providing greater support to strengthen the delivery capacity of some emerging donors and advancing TSSC, recognising its capacity to improve aid effectiveness by enhancing ownership and inclusivity (Muggah & Carvalho 2009: 4). Additionally, it was also identified that a more systematic approach to sharing experience, knowledge and lessons learnt in the area of South-South and triangular cooperation was also needed (CUTS 2005: 2). Currently, most OECD countries are involved in triangular South-South cooperation, with countries like Japan and Spain integrating this modality in their development cooperation policies (Fordelone 2009: 7). The popularity attained by this type of assistance is associated with the recognition that it can be an effective mechanism to promote development and pro-poor change, while benefiting all parties.

As with SSC, there is still a lot to do to advance in definition and common understanding, but triangular initiatives are in general terms a point where different actors and constituencies come together. They are initiatives that integrate – rather than simply add - the know-how and resources of all the actors involved based on their comparative advantages.

In terms of form, triangular cooperation can be described as a middle ground between bilateral technical cooperation and the cooperation that takes place through broad multilateral channels (Abdenur 2007: 12). It involves a group of partners with three fundamental and complementary roles: donors, as facilitators of financial, operational or technical support, the providers of technical assistance, also known as “pivotal” countries, and the recipient countries. By taking a broad-based approach to the promotion of technical cooperation among developing countries, TSSC capitalises on the benefits yielded by SSC and combines them with the provision of assistance from DAC countries. It entails learning on all sides and should not be confused with direct support to SSC through, for instance, hands-off funding (TT-SSC 2010: 21). While DAC donors usually take on the role of finance providers, their contribution may also involve aspects relating to their long established experience in development assistance, as for instance, in design and implementation of monitoring and evaluation systems to projects and programmes (Fordelone 2009: 7). DAC donors’ support to TSSC is crucial boost the scope and impact of such partnerships (*ibid*).

Overall, one of the most positive features associated with TSSC is perceived to be its capacity to effectively merge the strengths of different partners within a clear division of labour, pooling the different assets each party can bring to the process (*ibid*). As a corollary, this form of partnership helps to build the capacity of developing countries as providers of development co- operation, strengthens relations between DAC donors and providers of TSSC, and furthers relations among Southern partners, enhancing regional integration (*ibid*).

Another contribution relates to TSSC’s capacity to provide context-specific solutions to technical capacity challenges. Concerns have been raised regarding the suitability of provisioning of technical assistance and consulting services from DAC donors, which might not be attuned to the recipient country’s needs (CUTS 2005: 3). TSSC can be a way to circumvent such problem, as it is usually found in sectors in which the emerging donors have expertise of their own (Schlager 2007: 3). Thereby, it enables DAC donors’ to build on the pivotal country’s know-how and better understanding of beneficiary countries’ reality, increasing the possibility that solutions designed and implemented in pivotal countries are successfully grafted to beneficiary countries. This suitability derives from the fact that pivotal countries deal or have dealt with similar development challenges to those in beneficiary countries or may share economic and geographic characteristics, cultural, historical and regional ties, and common languages (Fordelone 2009: 7). Along these lines, TSSC is believed to be more conducive to the development of equal partnerships and ownership than NSC, while also enhancing regional learning processes through cost effective technology-transfers (TT-SSC 2010: 17).

Another pitfall associated with bilateral assistance that TSSC can help to minimise involves the tying of aid. When donors tie up with technical assistance providers in their home country, there is a possibility that monitoring by the donors becomes less strict, as they are likely to develop alliances, which may also lead to cost distortions (CUTS 2005: 3). When a third country takes on the role of provider of technical assistance, it is less likely that this type of alliances will be formed, allowing for more rigorous procurement, for instance. Hence, TSSC may bring more accountability and transparency to the process as a whole (*ibid*).

Nonetheless, TSSC does not come without challenges. Given its very recent development, triangular initiatives are still limited in scale and scope and tend to adopt a project-based approach, being usually disconnected from broader development goals established by recipient countries (Fordelone 2007: 10). Moreover, running contrary to the general perception TSSC may yield greater horizontality, in practice, it seems that beneficiary countries are not sufficiently engaged in the planning and execution of such partnerships (*ibid*), attesting that ownership is not natural to TSSC initiatives. In this regard, with TSSC involving multiple partners, the risk of losing touch with the recipient is especially imminent, as the traditional donor and the pivotal country can focus too much attention on setting up the terms of the collaboration, marginalising the recipient country (TT-SSC 2010: 18).

The presence of multiple stakeholders might also present obstacles in terms of co-ordination and harmonisation (Fordelone 2009: 9). Poor co-ordination and harmonisation are believed to result mainly from the existence of distinct procedures in partner institutions' countries; longer negotiations on the operational aspects of the project; difficulties on agreeing common standards and procedures for monitoring and evaluating projects, and unclear division of roles and responsibilities leading to inefficiencies in implementation (*ibid*). The multiplicity of actors also offers the risk of high transaction costs. Moreover, it has been remarked that, as TSSC projects are usually dispersed, there might be duplication of efforts and the diffusion of resources, as well as incoherence between initiatives (*ibid*). Notably, these last difficulties are not exclusive to TSSC, being also present in other cooperation modalities.

States seldom, if ever, engage in technical cooperation within a political vacuum; rather, they typically forge cooperation ties at least in part to advance regional or global ambitions (Abdenur 2007: 12). Given its dynamic, TSSC can be a convenient tool for pivotal countries aspiring to greater influence regionally and globally. Pivotal countries like Brazil, South Africa, and India, in particular, act as nodes for the growth of South-South transfer network, and triangular cooperation is emerging as a major strategy to strengthen this network (*ibid*). Such claim is consistent with OECD findings that a large number of providers of South-South cooperation are engaging in triangular cooperation, particularly with countries from their own region (Fordelone 2009: 7). Moreover, this type of configuration allows regional nodes and their partners to tap into localised knowledge and sources of innovation that might be overlooked in more traditional forms of cooperation and technical assistance (Abdenur 2007: 12). As with SSC, triangular cooperation is also at the service of the multitude of interests relating to foreign policy, commercial and political ambitions.

It has been remarked that India and China have been reluctant to collaborate extensively with foreign partners, fearing the loss of policy independence and that the benefits associated with its bilateral cooperation might be diluted in this form of partnership (Rowlands 2008: 2). Brazil and South Africa, nonetheless, have been much more cooperative in their overall development programmes (*ibid*).

By and large, as a recent form of partnership, uncertainties persist in terms of definitions, roles and procedures, with TSSC actors still exploring different ways of engaging with each other. Although triangulation is far from being a widespread approach to development assistance

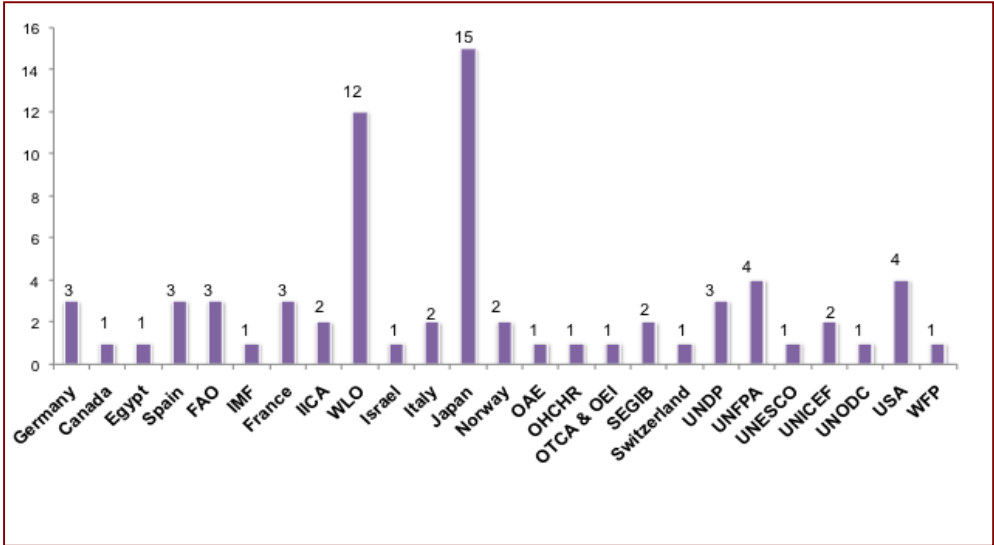
provision, interest in furthering collaboration under this framework is growing on the part of both pivotal countries and traditional donors. Nonetheless, little evidence is available on the potentials offered by this cooperation modality to advance the role played by recipient countries, an issue that is not sufficiently addressed in the literature and deserves, thus, deeper investigation.

Annex III. Overview of triangular cooperation in Brazil

Over the last decade, Brazil has reached a reasonable level of economic and social maturity and, with a stable economy and rising GDP levels, has been elevated to the grade of middle-income country by multilateral organisations. Against this backdrop, its position has gradually been shifting from recipient to provider of technical cooperation, an evolution that has been accompanied by the phasing-out of some bilateral and multilateral assistance programmes in the recent years. In this context, triangular South-South cooperation is becoming a vibrant modality, serving as base for bilateral cooperation. Under this arrangement, roles are adapted to this new reality, while ties crystallised over decades of partnerships are maintained.

As traditional donors are confronted with the need to develop strategies of engagement with middle-income countries, Brazil is becoming a sought-after partner for pilot experiments in the area of development assistance, being currently the country involved in the highest number of trilateral projects. Memoranda of understanding have been signed with several international partners, the most notable examples being the United States, Japan, Germany, Spain and Italy. Triangular activities are also happening with the involvement of multilateral organisations, such as UNDP, WLO and UNICEF. ABC manages currently 88 projects under this modality across 27 countries. In terms of number of projects received, Haiti, Paraguay and Mozambique are among the main beneficiaries of triangular cooperation (Chart 8).

Chart 8 – Triangular cooperation with partner countries and multilateral agencies (MoUs signed and projects)



Source: ABC.

Essentially, the aims of triangular cooperation are to promote professional capacity building, institutional improvements and technical exchange in favour of beneficiary countries. For traditional donors, drivers behind this partnership include the possibility of benefiting from Brazilian distinctive experiences in areas of national excellence and from successful public policies (believed to be more culturally and socio-economically adapted to the needs of recipient countries), as well as from its reduced implementation costs. In counterpart, they bring financial resources, logistic structure and expertise, thereby offering prospects for scaling-up projects and maximising impacts.

Beyond these advantages, there is also a pragmatic aspect to the partnership. With the extinction of bilateral programmes, triangulation ensures that Brazil continues to access pools of cutting-

edge expertise, technology and innovation available in developed countries, through spill over effects generated by joint-projects. At the same time, this mechanism helps to progressively build demand for Northern technologies in the Brazilian market. Such process explains why themes encompassed by triangular agreements might differ from those of previous bilateral programmes. The complementarity of know-how appears as a key determinant in triangular cooperation.

Terms underscoring these three-way arrangements vary from partner to partner and, to some extent, such differentials also shape the model of the partnership. In the case of multilaterals, the funding capacity appears as a less decisive matter, with Brazil focusing on the operational advantages offered by these organisations, such as their worldwide office networks and facilities, on scaling-up gains and on the legitimacy derived from articulating its technical assistance projects through multilateral mandates and programmes.

In the case of bilateral partners, however, Brazil has sought to strike a balance between its recently discovered vocation for cooperation provision, building on its own experience as a recipient country, and the opportunities that arise from associating itself with donors who possess substantial development assistance capacity. This position is reflected in its perception that triangulation is only an advantageous prospect when it presents clear value-added to the impacts and scale of projects that could, otherwise, take place on bilateral basis. It is not evident, however, how much of this rhetoric is backed by actual performance capacity and how much relates to fears of loss of policy independence. Along the same lines, resources are seen as an important element to the partnership, but Brazil highlights that it is now in position to contribute meaningfully to project execution, funding its own share. Therefore, traditional donors can help to boost the magnitude of the initiatives, but, insisting on a balanced division of labour, Brazil ensures that, to match its global whims, the visibility stemming from development assistance projects is split evenly between both sides of the partnership.

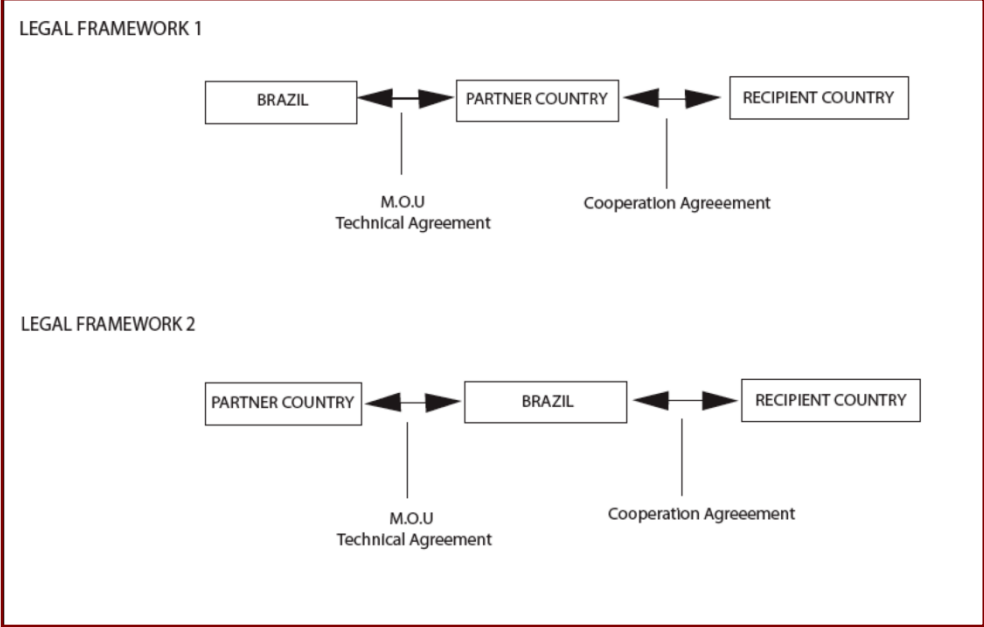
Noteworthy, financial inflows are a rare phenomenon under this modality. With Brazil paying for its own activities, the gross of resources from donors is channelled directly to recipient countries, notably to perform international functions that, due to its restraining legislation, ABC cannot, such as buying equipment or supplies and building facilities. Nonetheless, Japan is the only country that, in addition to promoting joint-projects with Brazil to the benefit of beneficiary countries, also allocates funds in Brazil. The Third Country Training Programme, one of the three initiatives integrating Japan's triangular portfolio maintained with ABC, includes financing for capacity building courses offered by Brazilian institutions to visiting fellows from PALOP countries.

In principle, there are two fundamental ways through which triangular cooperation provision can be triggered. In the first case, the recipient country raises a demand to a donor without specifying the modality; the donor then decides that such demand can be best matched through triangular development assistance. In the second case, the development agency identifies in the recipient country an area of deficiency to which triangulation might provide an opportunity for complementary expertises. These demands are then translated into agreements. However, as triangulation is not contemplated in existing international legal provisions, it is supported by bilateral instruments, that is, cooperation agreements, memoranda of understanding and technical agreements that are, thus, negotiated bilaterally between partners (as illustrated in Diagram 3).

In legal terms, bilateral arrangements are believed to adequately address this legislation void, and, being less encompassing than three-way arrangements, are more easily adapted to the evolving dynamic of the partnership. But insofar they entail tripartite interests and their translation into separate bilateral agreements it is not readily evident who is *de facto* setting the

terms and whether beneficiaries' views have been sufficiently taken into account. The extent to which triangulation processes might be detrimental to ownership is yet to be verified. In the case of Brazil, the exercise would be particularly valuable, given the country's emphasis on horizontality as a guiding principle to its development assistance.

Diagram 3 – Legal framework supporting triangular cooperation



Despite significant increases, triangular cooperation represents only a fifth of Brazil's overall technical assistance projects. As a relatively recent experiment, it is too early to draw conclusions on the space it will occupy and if it is indeed to become a precondition to the expansion of South-South cooperation, in terms of ensuring both the necessary expertises and resources for the continuation and augmentation of these activities. Brazil's position is, unsurprisingly, ambiguous this regard. As such, the near future is likely to be marked by efforts to find the optimal equilibrium between policy independence and assertive autonomy, on the one hand, and greater proximity to traditional donors on the other, as it attempts to scale-up its assistance and consolidate its position as a provider.

Annex IV. List of people interviewed

(listed by chronological order of interviews)

Bridget Dillon	DFID, Head of Brazil Office
Catherine Arnold	DFID, Social Development Adviser
Mike Ellis	First Secretary, British Embassy in Brazil
Alejandra Bujones	Governance Adviser, British Embassy in Brazil
Maristela Baioni	Assistant Resident Representative for Programme, UNDP
Ministro Marcos Farani	Director, ABC
Márcio Corrêa	Coordinator, CGRM, ABC
Ministro Olyntho Vieira	Coordinator, CGMA, ABC
João Carlos Souto	Adviser, CGMA, ABC
Secretário Wellington Bujokas	Adviser, CGMA, ABC
Wófsi Yuri de Sousa	Manager, CGRB, ABC
Carlos Considera	Oficial de Chancelaria, CGPD – Latin America, ABC
Paulo Lima	Manager, CGPD – Africa, ABC
António Carlos do Prado	Coordinator of International Technical Cooperation, Embrapa
Nelci Caixeta	Manager, CGPD – Africa and Oceania, ABC
Mário Barbosa	Manager, International Affairs Secretariat, Ministry of Labour
Frederico Soares	Executive Manager, SENAI
Maria Dilza Camargo	International Affairs Manager, SENAI
Ulrich Krammenschneider	Country Director, GTZ
Lisa Hoch	Adviser, GTZ
Anne Gaudet	Counsellor, CIDA
Carlos Lampert	Deputy Director, Secretariat of International Affairs, Ministry of Planning
Alcides Costa Vaz	Professor, University of Brasília
Melissa Andrade	International Poverty Centre
Donald Sawyer	Professor, University of Brasília
Tim Power	Lecturer, University of Oxford, UK
Márcio Pontual	Interim Advocacy Adviser, Oxfam International
Renato Baumann	Director, CEPAL
Gabriela Bastos	Head of International Affairs Secretariat, MDS
José Monserrat Filho	Head of International Affairs Secretariat, MCT
Mauro Figueiredo	Head of International Affairs Secretariat, AISA, MS
Luciano Queiroz	Adviser, AISA, MS
Kota Sakaguchi	Country Representative, JICA
Jusimeire Mourão	Triangular Cooperation Consultant, JICA

Hisao Kawarara	Controle de Projetos, SIGAP, ABC
Delourdes Alves	Recursos Humanos, ABC
Julio Pohl	Nucleo de Apoio Financeiro, ABC
Bell Simões	Director, Núcleo de Cooperação Técnica, Embaixada do Brazil em São Tomé e Príncipe
André dos Santos	Núcleo de Cooperação Técnica, Embaixada do Brazil em Timor-Leste

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