

Monitoring And Measuring of South-South Cooperation Flows In Brazil

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In the past decades, Brazil has consolidated itself as an important actor within South-South cooperation. Brazilian cooperation encompasses a variety of practices and modalities executed by over one hundred national, subnational, and non-governmental public entities. There has been an exponential growth in many of these modalities, especially during the first decade of the 2000s (IPEA/ABC 2010, IPEA/ABC 2013)¹, resulting in a diversification of partners in all continents and particularly in Africa. This expansion transpired with a strong political support by the Presidency to the agenda, the internationalization and mobilization of several national agencies, and a favourable economic context.

Since President Dilma Rousseff's first administration (2011-2014), the world has witnessed a slow-down in the growth of Brazilian total expenditure in cooperation and a relative decrease in new initiatives, due to the low prioritization of South-South cooperation over other agendas as well as the economic and political crises experienced by the country. Even so, the country's engagement with the Global South remains relevant. If we consider the official numbers of the report "Brazilian cooperation for international development"² (also referred to as the COBRADI report), we find expenditures of R\$ 2.8 billion (US\$ 1.5 billion) with 159 partners between 2011 and 2013. In total, between 2005 and 2013 the federal government disbursed an estimated total of R\$ 7.9 billion (US\$ 4.1 billion) (IPEA/ABC 2016).³

Highlights

- > Transparency is a key element for Brazil's South-South cooperation initiatives to garner national support and legitimacy and for the country to be accountable to its partners and to society.
- > The efforts made thus far by the government to publicize its actions are innovative, albeit insufficient and limited in their scope, predictability and periodicity.
- > The creation of a monitoring and measuring methodology, from public sources on budgetary information, will improve the understanding of Brazilian South-South cooperation initiatives, complement existing efforts, and support further analyses of their practices and results.
- > This exercise is crucial for promoting an ample debate on the political choices guiding country's South-South cooperation.



Table 1 – Brazilian expenditure with cooperation for international development 2005-2013 (USD/modalities)



Source IPEA/ABC (2010; 2016)

Brazil’s increasing commitment to international development mobilized public agencies leading its cooperation and prompted the interest of academia and civil society. This led to an increase in demands for more and better information and analyses on Brazil’s cooperation as well as a proliferation of initiatives attempting to fill these gaps.

It is important to note that the difficulties in monitoring and measuring South-South cooperation are not unique to Brazil (Poskit et al 2016; DiCiommo 2016)⁴. Additionally, the increased interest in the topic has boosted the number of both individual and

collective measurement proposals⁵. These initiatives contribute to: a greater understanding of national practices; an overview of the flows (quantity, nature, geographical and sectorial distribution); and the analysis of international contributions toward the Sustainable Development Goals (SDGs).

The Brazilian Cooperation Agency (ABC) and the Institute of Applied Economics Research (IPEA), in a pioneering effort to publish data Brazilian South-South cooperation, published three reports systematizing the resources invested in so-called Brazilian Cooperation for International

1. Institute of Applied Economic Research (IPEA); Brazilian Cooperation Agency (ABC). Brazilian Cooperation for International Development (COBRADI): 2005-2009. Brasília: IPEA; ABC, 2010, 78 p.; IPEA; ABC. Brazilian Cooperation for International Development (COBRADI): 2010. Brasília: IPEA; ABC, 2013, 126 p.

2. We should emphasize that the definition and methodologies of the COBRADI reports, produced by the Institute of Applied Economic Research together with the Brazilian Cooperation Agency, to inform and account for the so-called “Brazilian cooperation for international development” does not fully encompass

every element of a more comprehensive definition of South-South cooperation used here.

3. IPEA; ABC. Brazilian cooperation for international development (COBRADI): 2011-2013. Brasília: IPEA; ABC, 2016, 184 p.

4. POSKITT, Adele; SHANKLAND, Alex; TAELA, Katia. 2016. Civil Society from the BRICS: Emerging Roles in the New International Development Landscape. IDS Evidence Report 173, Brighton: IDS; DICIOMMO, Mariella. 2016. Approaches to measuring and monitoring South-South cooperation, Discussion paper, Development Initiatives, Nov. 2016, 15p.

Development (COBRADI) between the years 2005 and 2013. Equally worth mentioning is the availability of a projects' database on ABC's website⁶ and the proposal of a Reference Platform⁷ for measuring and monitoring the country's South-South cooperation flows, also developed by ABC.

Notwithstanding the relevance and importance of advances in transparency and accountability, challenges remain in efforts toward periodicity and predictability, comprehensiveness, and the level of disaggregated data currently available to Brazilian society. In this sense, additional tools become necessary for monitoring and quantifying the amounts spent consistently and systematically with the use of public and open information systems.

The current context of fiscal and political crisis and the new directions set by Michel Temer deprived the South of the privileged place it had in Brazilian foreign policy. Efforts to bolster economic growth and increased trade relations are taking place in the detriment of other important foreign policy objectives, such as global multilateralism, regional integration, diversification of diplomatic relations or experience sharing on social protection policies.

Analysing the allocation of budgetary resources allows us to visualize the characteristics and changes in Brazilian South-South cooperation, thus helping to open its black box of decision-making. In this sense, as a tool for monitoring government activities, it should promote an open and democratic debate regarding the direction and potential tensions of projects and ideas in this field.

This Briefing presents ideas for a Brazilian South-South cooperation budget monitoring and measuring methodology to contribute to civil society's dialogue and critical engagement in the issue. The proposal is based on public and open information sources, especially the federal budget, available through the *Integrated Financial Management System platform (SIAFI)*, the main instrument used for recording, monitoring, and controlling the Federal Government's budgetary planning and financial execution.

Why monitor cooperation flows?

Access to information on public expenditure is vital for social accountability. Society needs accessible and comprehensive information so that it may debate and influence public policies, including foreign policy and South-South cooperation. Transparency is a key element for South-South cooperation policies to obtain national support and legitimacy, allowing them to be sustainable in the face of political changes. In addition to the promoting social accountability nationally, transparency is also essential for Brazil to be held accountable to government and other actors partner countries.

In the past decade, Brazil has made significant progress in access to information policies and in the implementation of a public administration publicity principle (Article 37 of the 1988 Federal Constitution), improving the transparency of government actions as well as the tools to improve monitoring an accountability of such actions. However, Brazilian

5. Such as the COBRADI report itself in Brazil, as well as the platform of the Mexican Cooperation Agency for Development (AMEXCID), and among the international debates on measuring South-South cooperation by the Southern Think Tanks Network (NeST), Economic Commission for Latin America and the Caribbean (ECLAC), and the Ibero-American General Secretariat (SEGIB).

6. Available at: <http://www.abc.gov.br/Projetos/pesquisa>

7. The Reference Platform is a proposal developed by ABC for measuring South-South cooperation. According to the Agency, the platform aims to be a reference, and not a common standard, for Southern countries. For further information and details of the proposal presented by Brazil to the group of Core Southern Partners in 2015, but still under construction, access: http://unctad.org/meetings/en/Contribution/gds_stats_2015d06_Contribution_Brazil2_en.pdf

foreign policy has not kept pace with this trend. Social and democratic oversight becomes even more challenging when it comes to international cooperation, given the diversity of implementing agencies and the lack of a specific national policy and legal framework.

The set-up of a methodology for monitoring and measuring South-South cooperation flows in Brazil hopes to give visibility and analyse public expenditure of this nature⁸. However, there are political, conceptual, and technical challenges to be faced. In the following paragraphs, some of these obstacles will be unpacked, reflecting on existing measurement initiatives at the international level (both in North-South and South-South cooperation).

Political and conceptual challenges: What should we account for?

The debate regarding the definition of what is understood by South-South cooperation remains inconclusive and conflicting, both in Brazil and internationally⁹. The first challenge faced, therefore, is to define which flows and modalities will be included. That is, should it follow certain eligibility guidelines? Does it include only federal public budget? Should it be guided by other methodologies for measuring international cooperation for development to allow for comparison? These decisions are not merely conceptual, but entail political choices.

As it carries a different logic to the Official Development Assistance (ODA)¹⁰ provided by Northern countries, South-South cooperation cannot be quantified solely through financial flows. Partnerships between Southern countries are mostly characterized by transfers of technical, institutional, or technological knowledge. Moreover, it involves political buy-in to ideas, based on inspiration and directly requested by partner countries. These types of relationships are not easily measurable. Hence, monetary measurement should be complemented with other analyzes to ensure the richness and complexity of these practices are represented.

There are also conceptual challenges specific to each modality. India, for example, includes trade and investment in its concept of development compact¹¹. In Brazil, on the other hand, no consensus exists as to the inclusion of these modalities. There are methodological efforts within North-South cooperation to access public contributions for mobilizing private flows in developing countries: recent changes in the ODA methodology have included, for example, the so-called Private Sector Instruments (PSIs)¹². Moreover, actions for providing “global public goods” (such as medical research to cure neglected diseases or efforts to reduce environmental impacts) have been included in the list of modalities for international development cooperation of the Organization for Economic Cooperation and Development (OECD).

8. A pioneering effort in the creation of tools for crosscutting or thematic budget monitoring has already been carried out by civil society organizations. We highlight here the work of the Institute of Socioeconomic Studies (Inesc), using the methodology of Thematic Budgets, and the Women’s Budget of the Feminist Center for Studies and Counsel (CFEMEA).

9. The methodology of the COBRADI reports (i.e. the modalities and the actions comprising them) varied across each edition. The future Reference Platform will include a separate group of “measurement categories”, including other modalities such as financial cooperation and foreign trade. There is also no consensus in civil society regarding the scope of what is South-South cooperation. Internationally, the practice and debate is heterogeneous. Different initiatives under discussion have their own criteria when defining what is/should be

accounted and what is/will not. For more, see: SILVA, Daniel Martins; SUYAMA, Bianca; POMEROY, Melissa; SANTOS, Vinicius Sousa dos. Overview of the monitoring of international development cooperation flows: opportunities and challenges for the construction of a Brazilian methodology. São Paulo: Articulação SUL, 2016.

10. The notion of ODA, led by the Organization for Economic Cooperation and Development (OECD), encompasses any flow that is a) provided by government agencies; b) geared toward the economic development and wellbeing of developing countries; c) with a concessional nature of at least 25%.

11. See CHATURVEDI, Sachin. 2016. The Development Compact: A Theoretical Construct for South-South Cooperation, RIS Discussion Paper #203, June 2016.

Toward a methodology for monitoring and measuring the Brazilian South-South cooperation budget

The methodology uses a broad definition of South-South cooperation: a wide range of forms of cooperation between developing countries, such as the alignment of positions in multilateral forums; the promotion of South-South trade; the creation of political coalitions and networks; regional integration; concessional funding; the development of human and institutional capacities (scientific, technological, and technical); and responses to the crises. This definition is aligned with international consensus between Southern countries, solidified in documents such as the Buenos Aires Plan of Action (1978) and the Nairobi Outcome Document (2009).

A proposed list of modalities was defined to orient the data gathering but may be revised after the first implementation year. These include: technical cooperation, educational cooperation, humanitarian cooperation, scientific and technological cooperation, contribution to international organizations, financial cooperation, support to refugees, coalitions and networks, peace operations and regional integrations. Trade will not be analysed at this point.

The methodology developed explores public information systems, especially virtual platforms or open and accessible data sources. The initial focus is on federal government actors. The strategy will use three important budget databases¹² to collect “budgetary actions” and “budget plans” (using the recording units of the Brazilian budgetary system) that have a clear description of expenditures related to South-South cooperation, and subsequently establish an overview of Brazilian actions in the global South.

Once the range of activities had been mapped, information will be triangulated to analyse strategic sectors and themes. As mentioned previously, analyses on South-South cooperation purely based on monetary values diminish the understanding of its reality. In order to tackle this shortcoming, qualitative data - collected from case studies, institutional reports, interviews, etc. – will be used in the analysis of strategic themes. At first, these are likely to be: technical cooperation on Food and Nutritional Security; Regional Integration initiatives; and expenditures linked to the BRICS (Brazil, Russia, India, China and South Africa) grouping.

There are technical and operational challenges of using public sources of budgetary information. In addition to the low level of disaggregation regarding expenses, which makes it difficult to delimit expenditures of South-South cooperation, the descriptions found in the Brazilian federal budget accounting system do not always allow us to identify the projects, actions or practices by the Brazilian government. In this sense, a dialogue with public agencies and ministries becomes essential for understanding the processes behind federal budget records.

A fundamental principle of this methodology lies in its collaborative nature. The proposals itself was built in partnership with several civil society organizations. It is crucial that we build bridges between current existing initiatives in Brazil for monitoring and measuring, particularly the COBRADI reports and other developments undertaken by ABC. Further dialogue and communication between current proposals in Brazil and those developed by South-South cooperation actors, regionally and internationally, tend to strengthen governance in this field, increasing knowledge about its flows and practices and enabling political and technical exchanges between countries.

12. The PSIs include guarantees, loans, mezzanine finance, and equity provided to companies or public-private partnerships in developing countries. Future advances in PSIs eligibility parameters may also provide important inputs for methodologies measuring Brazilian South-South cooperation.

13. SIOP – Federal Integrated Budget and Planning System (<https://www.siop.planejamento.gov.br/siop/>) Transparency Portal of the Federal Senate/House of Congress (<http://www.portal-transparencia.gov.br/>) and SIGA Brasil (<https://www12.senado.leg.br/orcamento/sigabrasil>).

The present effort is not guided by an agenda established by traditional actors to quantify South-South cooperation and compare to the ODA. On the contrary, it is an attempt to contribute, with concrete tools, to an alternative agenda for measuring South-South cooperation by incorporating its different principles and practices. We are guided by transparency and accountability imperatives, as well as the importance of the production of knowledge to allow further visibility and understanding of the practices and results of Brazil's South-South cooperation.

The implementation of this monitoring system will contribute to a better understanding of

the decision-making processes, shedding light on the priorities, complementarities and contradictions of Brazilian South-South cooperation. Finally, it will facilitate spaces for debates to influence political choices guiding Brazilian South-South cooperation, and supporting its national and international consolidation from a perspective that embraces civil society participation. The initiative also hopes to contribute to the global discussion on how to measure South-South cooperation, such as within the Core Group of Southern Partners, Economic Commission for Latin America and the Caribbean (ECLAC), the Ibero-American General Secretariat (SEGIB), and the Network of Southern Think Tanks (NEST).



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