

Country Assistance Policy for Federative Republic of Brazil

1. Relevance of Assistance

- (1) Brazil has the fifth largest geographical area and population in the world (the largest in Latin America), and the sixth largest economy, and due to the remarkable economic growth over the recent years, its international status has elevated to a global player beyond a regional power in Latin America.
- (2) Japan has traditionally maintained a close relationship with Brazil, especially due to the existence of the approximate 1.5 million population of Japanese-Brazilian community.
- (3) It is expected that the Brazil's economic ties with Japan will be further strengthened in the coming years in view of its abundant subsurface natural resources such as iron ore and petroleum, its world's biggest expanding capacity of food crop production, and its growing demands for infrastructure development and technological innovations to strengthen the Brazilian industrial competitiveness in the world.
- (4) In 2006, Brazil adopted the Japanese standard for digital terrestrial TV broadcasting, and since then, Japan and Brazil have been collaborating in dissemination of this standard in South American and African countries.
- (5) Furthermore, in the field of development assistance, Japan and Brazil are actively promoting the triangular cooperation with third countries.
- (6) In Brazil, rapid urbanization has taken place, and more than 80% of the population inhabits in urban areas. However, the urban infrastructure development has not matched with the pace of the urbanization, which resulted in various problems to be addressed, such as deteriorating environment and sanitation, traffic jams, and increasing vulnerability to natural disasters.
- (7) On the other hand, being the country with the largest area of tropical forests in the world, it is also deemed important to conserve forests and natural environment for biodiversity conservation. Adaptation measures for climate change are also required, as Brazil is one of the biggest countries in terms of emission of the greenhouse gases, having a significant emission reduction potential, and is susceptible to the risks of climate change effects.
- (8) Applicable modality of Japanese Official Development Assistance (ODA) in Brazil is, in principle, restricted to technical cooperation since the country exceeded the eligibility criteria for recipients of the Japanese Yen Loan (ODA Loan) in 2010. Nonetheless, in consideration with the above-mentioned backgrounds, it is relevant for Japan to continue assistance through its ODA to such cooperation projects that contribute to strengthening and deepening the bilateral economic relations with Brazil, especially those projects that help Brazil addressing various problems it faces, enable Japan to secure stable resource and food supplies, and establish closer

economic partnership between the two countries. Moreover, the collaboration of the both countries to provide assistance to third countries will further consolidate the Japan-Brazil relations.

2. Basic Policy of Assistance:

Assistance for sustainable development in Brazil and the promotion of mutually beneficial partnership

In order to develop and deepen the Japan-Brazil economic relations, and taking into account the “Programa de Aceleração do Crescimento” (Growth Acceleration Program – PAC), announced by the Brazilian government, a special priority will be given to the assistance to mitigate adverse effects of rapid urbanization, and to ensure stable resource and food supplies. The triangular cooperation is also given priority for strengthening the mutually beneficial cooperative relations.

3. Priority Areas

(1) Urban issues and management of environment and disaster risks

In the face of deteriorating urban environment, it is envisaged to extend assistance, taking advantage of Japanese advanced technologies, for eco-friendly urban development with low environmental impacts, such as improvement of environment and sanitation in urban areas, and mitigation of traffic congestion. Furthermore, assistance to disaster risk management will be undertaken.

(2) Triangular Cooperation

The Japan-Brazil Partnership Programme (JBPP) was established in 2000 to promote collaboration between the two countries in development assistance. Since then, Japan and Brazil are implementing triangular cooperation under JBPP with Latin American countries and the Portuguese-speaking African countries in areas where development assistance policies of both countries are harmonized. It is envisaged to continue the implementation of effective assistance under close collaboration between Japan, Brazil and beneficiary countries

4. Points to be considered

(1) Japan will continue to promote the triangular cooperation, for it is a development assistance modality that has been highly recognized and valued at various development assistance forum including the high level forum on aid effectiveness.

(2) Considering the fact that Brazil exceeded the eligibility criteria for recipients of Japanese Yen Loan (ODA Loan) and will eventually graduate from being an ODA recipient in not distant future, the focus of the assistance will be given to the fields that will strengthen the economic ties with Japan.

(3) The presence of Japanese-Brazilian community will be taken into account in the process of planning and implementation of economic cooperation projects with Brazil.