Executive Summary

Bridging the Atlantic is a descriptive study about Brazil’s involvement with counterparts in Sub-Saharan Africa over the last decade through knowledge exchange, trade, and investments. The objective of the study is to understand these relations better with the intent to forge concrete and mutually beneficial partnerships between Brazil and Sub-Saharan Africa. Two elements explain the focus on the last decade. First, although Brazil and Sub-Saharan Africa have interacted with one another for at least 200 years (chapter 2), only in the last decade was a more robust engagement built, through stronger partnerships and long-term projects. Second, neither in Brazil nor Africa was there a practice of collecting, organizing, and analyzing data on early partnerships, a serious obstacle to obtaining reliable information.

Brazil and Sub-Saharan Africa are natural partners, with at one point a shared geography and later a shared history. About 200 million years ago, Africa and Brazil were parts of the landmass of Gondwana (figure ES.1). Between the sixteenth and early nineteenth centuries, the transatlantic slave trade united the two regions until slavery’s abolition. Now, the two areas are reestablishing connections that will affect each other’s prosperity and development in major ways. This renewed engagement reflects new, positive realities in the evolution of development cooperation; Africa’s rapid growth in recent years; and Brazil’s rise as a global economic power interested in intensifying its ties—cultural and commercial—with Africa.

SOUTH–SOUTH COOPERATION IS TRANSFORMING DEVELOPMENT ASSISTANCE

The traditional North–South model of development aid, challenged since the 1970s, has given way to alternative arrangements for financial and technical cooperation among developing countries. The 1990s brought a broad recognition that previous models had failed to promote development and tackle the root causes of poverty. In search of alternatives, and to increase their bargaining power in the new century, developing countries began to devise
new arrangements. On the economic front, the creation of the Group of 20 (G-20) in December 1999 reflected the new role of large developing economies in the global architecture, and, in 2001, the four growing economies of Brazil, Russia, India, and China were joined under the “BRIC” label. In late 2010, after the group had held two summit meetings, South Africa joined the group, now known as “BRICS.” On the political front, the India-Brazil-South Africa (IBSA) Dialogue Forum was established in Brazil in mid-2003 as a space for the three emerging multiethnic and democratic global players to exchange knowledge and reinforce common interests. Other groups continued to emerge or grow, such as the Africa and South America Cooperation Forum, the Common Market of the South (Mercosur), and the Southern African Customs Union.

Over the past decade, Africa has become a continent of opportunities, with positive economic trends and improved governance. The continent is now often portrayed as a new frontier for those seeking partners and markets. The growth of some African countries, their resilience to recent global crises, and policy reforms that have strengthened markets and democratic governance are increasing trade and investment. Yet despite these positive trends, many African countries still face an enormous infrastructure gap, are vulnerable to climate change, and suffer from weak institutional capacity. Hence aid remains one of the main sources of development support in several countries on the continent, and transfers and exchanges of knowledge are still urgently needed.

The administration of Luiz Inácio Lula da Silva (2003–10) revived Brazil’s interest in Africa and set it on a surer footing, as part of a larger goal of expand-
Brazil’s global profile. For example, President Lula da Silva visited Africa during his tenure 12 times, taking in 21 countries, something unprecedented among Brazil’s past leaders.

Traditionally, studies of Brazil–Africa relations have tended to concentrate on the links of both Brazil and Africa to countries in the Northern hemisphere. While these North–South studies have contributed to an understanding of Brazil and Africa in an international context, they have also distorted the cultural, political, and social history that binds Brazil and Africa, including the legacy of the transatlantic slave trade. Research on Brazil–Africa relations has brought new perspectives to the traditional pattern of North–South analysis by looking at the South Atlantic as a channel of cultural transfers or political and social experiences, rather than as a geopolitical ocean like the North Atlantic. Such research has shown that strong connections, cultural identities, and common patterns were created by the long-term experiences of Africa in Brazil and vice versa, and improved the historiography of Brazil–Africa relations.

THE NEW AFRICA AND THE NEW BRAZIL HAVE COMPLEMENTARY INTERESTS

Since the turn of the twentieth century, Africa has become one of the major fronts of Brazil’s international agenda. Africa is rapidly changing and Brazil has expressed growing interest in supporting and taking part in African development. Brazil’s intensified engagement with Africa demonstrates both geopolitical ambition and economic interest, but its strong historical ties and affinities with Africa set it apart from the other original BRIC countries. Brazil’s economic growth, its increasing role as a global player, its success in narrowing social inequality, and its development experience offer lessons for African countries. African countries are therefore increasingly seeking Brazil’s cooperation, technical assistance, and investment. Brazilian international enterprises, nongovernmental organizations, and social groups are including Africa in their plans. In other words, the new Africa coincides with a global Brazil. Moreover, in the past five or six years, the Brazilian “Black movement” has helped to develop a new set of public policies and norms, including new federal institutions on racial issues, mandatory study of Afro-Brazilian and African history and culture in public and private schools and universities, and incentives to increase the number of Afro-descendants attending the Instituto Rio Branco, Brazil’s renowned school of diplomacy.

Complementing these strong historical and cultural links, Brazilian technology seems to be easily adapted to many African nations because of geophysical similarities in soil and climate, among other things. Brazil’s recent successes on the social and economic fronts have attracted attention from many African countries beyond the Portuguese-speaking nations with which Brazil has historical connections. Brazil now has 37 embassies in Africa, up from 17 in 2002, a rise matched by the increase in African embassies in Brazil: since 2003, 17 embassies have opened in Brasilia, adding to the 16 already there, in the largest concentration of African embassies in the southern hemisphere.
Countries in Sub-Saharan Africa have requested cooperation from Brazil in five key areas: tropical agriculture, tropical medicine, vocational training (to support the industrial sector), energy, and social protection (figure ES.2). (Areas of less interest include higher education and sports.)

**Tropical agriculture.** The Brazilian Agriculture Research Corporation (EMBRAPA)—with the Brazilian Cooperation Agency (ABC) and several other Brazilian research institutions—has engaged with local partners in implementing model projects in agriculture that aim to replicate successes in the Brazilian savannah (cerrado) and improve agricultural development and agribusiness. Examples include the Cotton Four Project (Benin, Burkina Faso, Chad, and Mali), the project on Technical Support to the Development of Agricultural Innovation in Mozambique, and the Rice-Culture Development Project in Senegal.

**Tropical medicine.** As of 2011, Brazil has 53 bilateral agreements on health signed with 22 African countries. Brazil’s approach to HIV/AIDS treatment and other prevalent diseases, including malaria and sickle cell anemia, is highly regarded by African peers. The Oswaldo Cruz Foundation (FIOCRUZ), a Brazilian institution for research and development in the biochemical sciences, is leading partnerships with local institutions in Africa. As well as running model projects on tropical medicine, FIOCRUZ is partnering with the government of Mozambique to build a pharmaceutical plant to produce generic drugs to treat HIV/AIDS and other diseases. The plant will enable Mozambique to export to neighboring countries.
**Vocational training.** The Brazilian National Service for Industrial Apprenticeship (SENAI) has built vocational centers in Cape Verde, Guinea-Bissau, Mozambique, and São Tomé and Príncipe, and has recently established partnerships with Angola, Congo, and South Africa to address vocational training for promoting industrialization and supporting youth-employment policies.

**Energy.** Sustainable energy is another area in which Brazilian expertise has gained the attention of several African nations. Successes in agriculture were not enough to reduce poverty. Thus, public policies that promote economic growth and social inclusion are at the heart of Brazil’s sugarcane production—for example, local and family-based farms have been helped to produce energy (ethanol). The Brazilian private sector is also involved with energy issues in Africa. A good example is BIOCOM, a joint venture between the Brazilian firm Odebrecht, the Angolan state company Sonangol, and the Angolan firm Demer. An investment of US$400 million aims at using sugarcane to produce sugar, ethanol, and power.

**Social protection.** Despite the huge challenges faced by policy makers in a country known for having one of the largest income-inequality gaps in Latin America, a few programs offer social protection. Since 2003, policies aimed at fighting hunger and marginalization have been implemented, one of the most successful being the Zero Hunger initiative, which includes several programs (such as the renowned Bolsa Família) sponsored through a strong partnership among 12 ministries and agencies. The Brazilian experience in social protection is now being adapted and replicated in other developing countries, including Angola, Kenya, and Senegal, with activities to build conditions for more inclusive growth.

Since most projects between Brazil and African countries began fewer than 10 years ago, proper evaluation of the outcomes still falls short. Initial results have, however, often been positive, highlighting the potential for more sustained and longer term engagement.

**THE PAST DECADE HAS WITNESSED UNPRECEDENTED GROWTH IN BRAZIL’S ECONOMIC RELATIONS WITH AFRICA**

Brazil’s trade with Africa increased between 2000 and 2010 from US$4 billion to US$20 billion, creating a propitious environment for the Brazilian National Economic and Social Development Bank (BNDES) to launch measures for furthering trade between the two regions on the basis of Brazilian loans. The stimulus given to Brazilian exports has also been central to the expansion of trade. In 2008, stimulus programs for Brazilian companies active in Africa (under an initiative known as Program Integration with Africa) resulted in the disbursement of R$477 million (approx. US$265 million), a sum that jumped to R$649 million (approx. US$360.5 million) the following year.

Brazilian private investment in Africa emerged in the 1980s and has now reached such an extent that Brazilian corporations are present in almost every
Bridging the Atlantic area of the continent, concentrated in infrastructure, energy, and mining (figure ES.3). The Brazilian presence stands out because of the way Brazilian corporations do business. They tend to hire a local workforce for their projects, favoring the development of local capacity, which ultimately raises the quality of services and outputs. The leading Brazilian companies in Africa by invest-

Figure ES.3  Brazilian corporations in Africa, 2010

Source: Prepared by authors.
ment and sales volume are Andrade Gutierrez, Camargo Correa, Odebrecht, Petrobras, Queiroz Galvão, and Vale.

Given the favorable business environment for Brazilian investment in Africa, the Brazilian Export Agency has been fostering small and medium enterprises in Africa—through business fairs, for example. At one event in April 2010 in São Paulo, Brazilian and African companies signed contracts and closed deals worth about US$25 million in sectors such as food and beverages, clothing and footwear, automotive, electronics, housing and construction, and cosmetics.

The trends analyzed in this report indicate that, overall, Brazil and Africa are jointly developing a model of South–South relations that could benefit both.

THE RELATIONSHIP BETWEEN AFRICA AND BRAZIL OFFERS USEFUL LESSONS FOR THE WORLD BANK AND OTHER INTERNATIONAL ORGANIZATIONS

The World Bank Group has played a peripheral role in forging the growing relationship between Brazil and Sub-Saharan countries, although this is now changing under the Bank’s renewed Africa Strategy. South–South cooperation will play a key role in the future, through partnerships, knowledge exchange, and finance. But better tools and incentives are needed if the Bank is to systematically incorporate and leverage South–South engagement in implementing this strategy, particularly in investment and trade.

While relations between Brazil and Africa have greatly intensified over the past decade, substantial obstacles remain—in particular, a knowledge gap on both sides of the South Atlantic. Most Brazilian individuals and companies—including many small and medium enterprises—have limited and often outdated information on Africa; what information they have is often limited to Angola, Mozambique, and occasionally South Africa. Many non-Lusophone African countries are faced with language obstacles when obtaining information from Brazil, especially from the government, since such information is rarely available in English or French. Another impediment is that—despite the geographic proximity of West Africa and eastern Brazil—there are few direct flights between the two, and bureaucracy on both sides can slow maritime trade to 80 days instead of a possible 10. The World Bank could assist in overcoming these obstacles, enabling the Africa–Brazil relationship to expand and bring additional benefits to all sides.

The growing relationship between Africa and Brazil reveals broader lessons for the World Bank and other international players, who would do well to strengthen support for South–South initiatives overall. There are, of course, unique historical, cultural, and geographic aspects of the Brazil–Africa case that make the willingness of Brazil (to share its successes) and the interest of African countries (to learn from Brazilian experiences) fertile ground for the Bank to demonstrate its role as connector and knowledge facilitator.

The World Bank could also play a direct role in catalyzing South–South cooperation through promoting the participation of Brazilian companies (and
those in other emerging markets like India and South Africa, for example) in the Bank’s procurement, particularly in Africa. This would have the beneficial effect of bringing more directly relevant experience from Brazilian companies to Africa, as well as signaling the growing role that emerging nations are playing in the Bank. Through the Enterprise Outreach Services—which aim to strengthen the World Bank Group’s relations with the private sector so as to inform and promote the participation of private companies—the Bank could organize awareness-raising workshops in Brazil (as it does for European and U.S. firms) about the Bank’s products and services to foster private sector investment in Africa.

Other ways in which the Bank could strengthen Brazil–Africa relationships are by:

- Supporting South–South collaboration—providing support to the parties (Brazilian government or private sector, African governments or private sector) for specific South–South projects, through lending, guarantees, or other forms of assistance. This could entail, for example, expanding projects that originated in bilateral relations between Brazil and a given African country to other African countries. A Brazilian technical assistance project in Mozambique may, for instance, be highly relevant to Tanzania; the Bank could help disseminate information on that project, either through Bank staff or by funding Brazilian or Mozambican experts to apply the experience in Tanzania. The Bank could also facilitate broader knowledge and best-practice exchange between Brazil and Africa, particularly Lusophone countries, given the interest among African countries in Brazilian best practices. It would be equally beneficial to promote joint applied research between African and Brazilian academic and learning institutions.

- Examining the current and potential impact of the Bank’s traditional activities of relevance to South–South cooperation through the prism of that cooperation. Relevant areas include the investment climate, governance, agriculture, health, education, and justice. As an example, Brazil’s highly successful program on HIV/AIDS and malaria prevention and treatment are directly relevant to the Bank’s initiatives.

- Improving coordination across Bank regions and between sectors and regions by setting up cross-regional teams (for example, between the Latin America and the Caribbean Region and the Africa Region) to exchange experiences and implement specific South–South activities, sometimes with initiatives already under way.

- Systematically incorporating measurable South–South dimensions into country assistance strategies, country partnership strategies, country assistance evaluations, and so on. Also, evaluating whether specific internal incentives or mechanisms to support South–South cooperation (such as through work programs and job evaluations) could be useful, while not creating new bureaucracies. As part of this exercise, it would be useful to gather and disseminate successful examples of Bank work in this area,
such as the Brazil Country Management Unit’s work program for South–South cooperation, to help streamline such activities in a more systematic and strategic way across the Bank.

- Systematically consulting with the Brazilian government as well as with other major emerging-nation governments involved in South–South cooperation as practitioners or donors, such as the BRICS nations, to get their views on how Bank support could be made more relevant and effective. The objective would be both practical and strategic—namely, to help the Bank overcome the perception among some stakeholders that it does not sufficiently recognize and understand their contributions to development. A specific example could be the exploration of a joint program between the World Bank Group and BNDES to support Brazilian trade and investment in Africa.

- Within the Bank, expanding the focus of actual South–South activities from the World Bank Institute to other areas (particularly infrastructure, investment climate and private sector development, governance, health, and education) and including more technical assistance and lending in these areas (in addition to knowledge exchange). In particular is the need for more activities directly related to investment, private sector development, and job growth, which so far seem to be outside the main scope of South–South activities contemplated in Bank programs.

- Exploring where there are specific areas or aspects of programs that relate to South–South development projects that could benefit from joint work programs or goals, because coordination between the Bank, the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency remains a challenge for supporting South–South cooperation. Two among many examples are greater alignment between the Bank and IFC country offices in key emerging markets for the promotion of sustainable South–South investment and better training, and incentivizing Bank (and IFC) staff in country offices to “cross-sell” the guarantee services of the Multilateral Investment Guarantee Agency.

- Further strengthening coordination with other multilateral bodies, particularly the newer South–South mechanisms, for the Bank to be an effective player in South–South cooperation, overcome some stereotypes in developing countries, and avoid duplication of efforts. The Bank, for example, is in an excellent position to facilitate an annual global South–South development summit, preferably in an emerging or developing country.

**REPORT METHODOLOGY**

Data were gathered between October 2010 and August 2011 by a research team of nine professionals from the World Bank as well as the Brazilian Institute of Applied Economic Research (IPEA) and the University of Brasilia, both of which are Brazilian state institutions. Leading sources included official docu-
ments (mainly international treaties and Brazilian legislation), nonofficial documents, projects, reports, books, articles, speeches, analyses, e-mail exchanges, and interviews. In the research period, the team interviewed 22 high officials of the World Bank Group, 62 representatives of the Brazilian government, and about 20 representatives of African governments who had had previous connections with Brazil. Interviews were also carried out with 16 representatives of the private sector and 15 experts from universities and nongovernmental organizations in Brazil and Africa. In total in this period, interviews were conducted with more than 130 professionals in Accra, Bamako, Bissau, Brasilia, Dakar, Maputo, Praia, Pretoria, Rio de Janeiro, and Washington, DC. A Bank mission visited Brasilia and Rio de Janeiro in December 2010 to conduct live interviews with about 50 professionals, and follow-up conversations were conducted in Washington, DC, or through video or audio conferences. The team depended on the availability of the authorities during the data-collection period, and not all the requested meetings could be held.

The report comprises six chapters that offer descriptive and analytical information on the characteristics, trends, constraints, and qualitative relationships between Sub-Saharan Africa and Brazil, as well as some policy implications of this relationship.

Chapter 1 provides a background to the new global financial and political architecture, highlighting the main characteristics of the international system for development cooperation, including North–South and South–South channels, as well as the rise of Brazil as a global actor in the last decade. It also presents Africa as a continent marked by rapid economic and demographic growth, which has opened up new intra- and intercontinental opportunities. Africa has recently established stronger connections with a few emerging players, and this report concentrates on how Brazil and Africa are exploiting these new possibilities.

Chapter 2 looks at the historical links between Brazil and Africa, going beyond linguistic connections with the Portuguese-speaking countries to include the legacy of slavery and other important cultural and political manifestations of the ties that bridge the two sides of the Atlantic. The historical links and the subjective similarities identified in chapter 2 help us to understand the type of connections explained and analyzed in chapters 3 and 4.

Chapter 3 focuses on how and why Brazil moved from an aid recipient in the 1960s to an aid provider in 2010. The main characteristics of Brazil’s cooperation in international development are also highlighted, especially its engagement with South–South cooperation within South America and Africa. It then analyzes some of the motivations and modes of operation of the Brazilian government’s recent engagements with Africa.

Chapter 4 identifies the key areas of Brazilian expertise being shared with African counterparts, as summarized above. It demonstrates how Brazilian technology is easily adaptable to Africa, based on similar geological and climatic conditions and resonances between the political and socioeconomic backgrounds of Brazil and some African societies. Although it is the longest chapter
of the report, offering details on why and how Brazil–African cooperation has evolved, it does not claim to offer an exhaustive list of current initiatives—because they are dynamic, and because of limited space and time.

Chapter 5 offers an overview of the current trade and investment trends in Sub-Saharan Africa that involve the Brazilian government and the private sector. While there has been a rapid and significant growth in commercial interactions, they remain rather limited when compared with China’s role in Africa, for example. The chapter therefore highlights the enormous opportunity for further interaction.

Chapter 6 presents conclusions and offers policy-related suggestions on how the World Bank’s Africa Region might strengthen South–South collaboration between Sub-Saharan Africa and Brazil. It also recommends mechanisms to sustain and amplify dialogue between Sub-Saharan Africa and Brazilian counterparts for the purpose of raising capacity in key sectors in Africa.