



The Norwegian Government's strategy for cooperation between Brazil and Norway

New perspectives on a long-standing relationship



NORWEGIAN MINISTRY
OF FOREIGN AFFAIRS



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Introduction

The Government's vision is as follows:

Norway and Brazil will develop a strategic partnership in areas where each country has strengths and expertise to offer the other, and where cooperation will result in mutual enrichment and economic growth and development in both countries. Our cooperation should be long-term and knowledge-based and take full account of social, environmental and economic sustainability. Norway and Brazil will contribute jointly to the resolution of global challenges through close cooperation on international issues.

Brazil is the fifth largest country in the world both in geographical area and in terms of population. The country has had strong economic growth in recent years; it is currently the world's seventh largest economy and aims to rise to fifth place in the next few years. It is also a vibrant democracy with a flourishing civil society. Its active policy for social cohesion has lifted millions of people out of poverty over the last few years, although social and economic disparities continue to be a serious challenge. Today Brazil is among the global actors with substantial influence on the international agenda.

Norway and Brazil enjoy a good, mutually enriching and long-lasting relationship. We have been trading partners for more than 170 years, ever since the first Norwegian ship docked in Rio de Janeiro, discharged its cargo of klippfish and returned to Norway loaded with sugar and coffee. Even today, bacalhau still accounts for a quarter of Norway's exports to Brazil, and coffee forms a significant proportion of Norway's imports from the country. Brazil is also Norway's largest export market for services after the EU and the US.

Although trade between our two countries is still growing, our economic relations are dominated by Norwegian investment and the establishment of Norwegian companies in Brazil. Brazil is the country where Norway has its largest investment abroad after the EU and the US, and in 2010, Norway was the seventh largest foreign investor in Brazil. Over 100 Norwegian companies have established themselves in Brazil, and Norwegian ships make 1500 calls a year at Brazilian ports. Currently a quarter of the offshore vessels operating in Brazilian waters have Norwegian owners.

Furthermore, Norway is a major exporter of financial capital through the Government Pension Fund Global, which has larger investments in Brazil than in any of the other emerging economies.

The huge new oil and gas discoveries on the Brazilian continental shelf and the country's leading position in the development and use of renewable energy sources will make Brazil an even more important energy nation, which will again make it an even more valuable partner for Norway.

There is public debate in both Norway and Brazil on the direction in which the respective countries should be developing and on the relationship between economic growth and sustainability. We are both major energy nations and need to address the same environmental and climate issues, which are high on the political agenda in both countries.

Both countries are also strongly engaged in the fight against climate change. Norway is proud of being the first country to contribute to the Amazon Fund, the aim of which is conservation of the rainforest for the benefit of all humanity. The Norwegian–Brazilian partnership in this field is held up as an example to be followed internationally, and has helped to put deforestation high on the international environmental agenda.

Norway wishes to be a reliable partner for Brazil, one that takes account of sustainability, the environment and human rights in its activities and operations. Our goal is that “Noruega” should be a respected brand, and that Norwegian businesses in Brazil should be associated with quality, expertise, environmental awareness and corporate social responsibility.

Like Norway, Brazil plays an active role in the efforts to promote the development of the international legal order, the peaceful resolution of conflicts, multilateralism, the fight against poverty and climate change, and the promotion of human rights. Norway wishes to cooperate closely with Brazil on international issues in both multilateral and bilateral forums.

The Government also wishes to expand Norway's contact with Brazil and Brazilian society in fields such as research and innovation, higher education, culture and sport. In addition to being valuable in itself, such contact will help to achieve the goals of this strategy and will strengthen mutual understanding and respect between our countries.

Drawing up this strategy has given us an overview of the ties between Norway and Brazil and new perspectives on our long historical relationship. The strategy paints a picture of our cooperation as it is today and will be a vital tool in the Government's efforts to further develop our relations in the time to come. Norway's political engagement and activities in Brazil will complement each other in the efforts to fulfil the Government's vision for the relationship between our two countries.

Norway wishes to strengthen and further develop relations with Brazil in four priority areas, which are discussed under the following headings:

- 1) Private sector cooperation, trade and investment
- 2) Climate and environmental issues, and sustainable development
- 3) Global challenges
- 4) Knowledge exchanges and social development

The Government wishes to intensify the dialogue with Brazil on political, business-related, energy, and climate and environmental issues. Norway will strengthen its presence in Brazil, and the Norwegian Embassy will be upgraded in keeping with our intensified efforts. The Government will promote a clear and positive image of Norway through effective communication and targeted measures. An action plan will be drawn up with specific measures that follow up the main lines of the strategy.

There is a dynamic interaction and a potential for synergy between these priority areas. Further efforts in the first two, where our cooperation is particularly close, will enhance Norway's potential as a strategic partner for Brazil in the other two areas.

1. Private sector cooperation, trade and investment

Brazil is a major economic power and is growing rapidly. The size of the Brazilian market, the country's diversified economy and the growth of its middle class offer opportunities for a broad range of Norwegian companies. In response to the huge oil and gas discoveries on the Brazilian continental shelf, the Norwegian petroleum and maritime sector is already strongly represented in Brazil. In addition, Brazil has other natural resources and a substantial market potential, which provides the basis for a Norwegian presence and the engagement of major Norwegian industrial enterprises. Brazil is one of Norway's most important export markets and one of the most important recipients of Norwegian investments.

Brazil is focusing both on economic and industrial development and on the environment, climate change and sustainable development. There is therefore a considerable potential for developing the Norwegian–Brazilian partnership as a basis for long-term cooperation to the benefit of both parties. Norway can offer expertise and technology in areas that are relevant to Brazil's needs, and Brazil can offer access to a rapidly growing market, which in turn opens up opportunities for further development of expertise and technology in several areas.

Brazil offers many opportunities for Norwegian companies, but they will also need to take active steps in order to deal with specific local challenges. Companies tend to find the Brazilian legislation and taxation system complex, and there is intense competition for qualified labour, at the same time as there are local content requirements.

The Government will:

- strengthen the dialogue with the Brazilian authorities at different levels;
- seek greater market access and a better framework for Norwegian companies in Brazil and provide support through the bodies established for this purpose;
- consider initiating negotiations on a free trade agreement and request the start of negotiations on a bilateral shipping agreement;
- take the initiative for the establishment of a bilateral economic commission;
- facilitate private sector cooperation between Norway and Brazil in those sectors where the potential mutual benefits are greatest;
- facilitate cooperation on capacity-building and expansion of industry-oriented research;
- promote a sound environmental and social profile in business activities in Brazil.

1.1 Strengthening the bilateral dialogue and general framework

Closer contact with the Brazilian authorities at local, state and federal level will be advantageous for Norwegian businesses. The Government therefore intends to strengthen its dialogue with the Brazilian authorities on business and trade policy issues.

The trade policy framework for relations between Norway and Brazil is provided by the WTO rules. In addition, Norway and Brazil concluded an Agreement on Trade and Economic, Industrial and Technical Cooperation in 1978. This established a bilateral commission, but this never started its work. Given the

rapid development of private sector cooperation and in order to strengthen the bilateral dialogue on business and trade policy issues, the Government will take the initiative to establish a joint economic commission.

The Norwegian and Brazilian authorities have been engaged in a dialogue on petroleum management for many years. This exchange of experience has benefited both parties. Both resource management and revenue management may be topics of interest in further dialogue and cooperation with Brazil.

The Government will seek to ensure improved market access for Norwegian companies, and a better framework and greater predictability for businesses operating in Brazil.

Brazil imposes relatively high duties on imported goods, and there is therefore a potential for a considerable increase in Norwegian exports to Brazil if the two countries conclude a free trade agreement. As members of EFTA and Mercosul¹ respectively, Norway and Brazil signed a declaration on trade and investment cooperation in 2000. The EU and Mercosul resumed negotiations on a free trade agreement in 2010. This could make it more difficult for Norwegian companies to maintain their competitiveness in Brazil. The Government will follow the negotiations between the EU and Mercosul closely, and will, in cooperation with EFTA, consider initiating negotiations with Brazil/Mercosul on a free trade agreement.

In 1980, Norway and Brazil concluded a double taxation agreement. Some elements of this are now outdated, although conditions for Norwegian companies are similar to those for companies from other countries. Norway and Brazil agree that a general revision of the agreement should be negotiated, and the Government will follow this up actively.

Brazil is one of the largest markets for the Norwegian shipping and supply industries, and Norway and Brazil cooperate closely on maritime issues. To provide a clearer structure for this cooperation, the Government will send a request to the Brazilian authorities for the start of negotiations on a bilateral shipping agreement.

In 2003, Norway and Brazil signed a Memorandum of Understanding on technical, hygienic and sanitary provisions governing bilateral trade in fishery and aquaculture products and byproducts. The Government will clarify whether it is necessary to widen the scope of this agreement.

1.2 Support for the business sector

The Government will provide support for Norwegian companies' activities in Brazil through the bodies established for this purpose. The Government intends to take a broad-based approach in Brazil, taking into account the fact that large, medium-sized and small enterprises have different needs and are often interested in different services from the Norwegian authorities and other bodies.

Innovation Norway Brazil provides advisory, promotion and networking services for Norwegian companies, in addition to temporary office facilities at

¹ Brazil concludes free trade agreements through the "Common Market of the South", Mercosul (full members Brazil, Argentina, Paraguay and Uruguay)

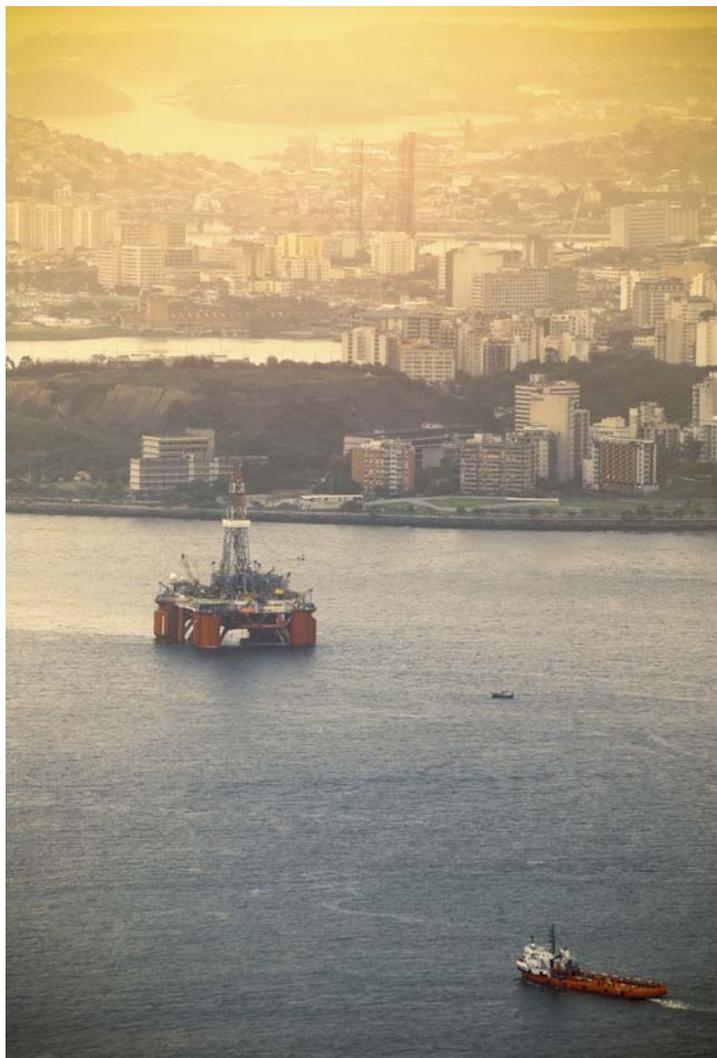
the Business Incubator Office in Rio de Janeiro.

INTSOK (Norwegian Oil and Gas Partners) also offers a range of services to the oil and gas industry, including advisory services to individual businesses, technical seminars, and, in cooperation with Innovation Norway, a network programme for companies wanting to enter the market. The Norwegian Seafood Export Council markets the Norwegian seafood industry in Brazil.

The Norwegian Embassy, the Consulate General in Rio de Janeiro and the honorary consulates all assist the business sector in various ways, for example by establishing meeting places and providing information on political and economic matters of importance for Norwegian businesses. The Consulate General also plays an important coordinating role. It is co-located and cooperates closely with Innovation Norway, INTSOK and the Seafood Export Council, all of which play an important part in their respective sectors in promoting the Norwegian business sector in Brazil.

In June 2010, the Norwegian Guarantee Institute for Export Credits (GIEK) signed an agreement with Petrobras on guarantees to cover loans financing Norwegian deliveries to Petrobras up to a ceiling of USD one billion. The agreement may help to strengthen cooperation between Norway and Brazil in this sector.

The Norwegian–Brazilian chambers of commerce in Rio de Janeiro, São Paulo and Oslo are useful forums for network-building between Norwegian and Brazilian companies.



1.3 Sectors with a potential for closer cooperation

The following sectors stand out as being of particular interest for closer cooperation, and as offering considerable mutual benefits.

The oil and gas sector is currently most the important in private sector cooperation between Norway and Brazil. Large oil and gas discoveries have been made on the Brazilian continental shelf in recent years, making the country an attractive market for oil companies and the petroleum-related supply industry.

Oil rig in Guanabara Bay near Rio de Janeiro.

Photo: code6d

The Norwegian oil and gas industry has technology, expertise and experience that make Norway an interesting partner for Brazil as it continues the development of its oil and gas resources. Forty years' experience from the Norwegian continental shelf has enabled Norway to build up an internationally competitive oil and gas industry. Norwegian companies are market leaders in various fields, particularly seismic surveying, production systems, subsea technology, drilling equipment, and offloading, unloading and mooring systems. The industry in Brazil is facing challenges relating to the extraction of resources from very deep-water fields. This means that Brazil will be a future "laboratory" for further development of offshore technology. Norwegian research and technology groups wish to take part in these developments in order to maintain their position as market leaders. Brazil also has expertise in technology for carbon capture and storage, and Petrobras and Statoil have already established cooperation in this field.

The Norwegian *maritime industry* is one of the world's most comprehensive maritime clusters. The industry's competitive advantage is largely related to its expertise, capacity for innovation and the breadth of the maritime sector. Brazil is an important market for the Norwegian shipping sector, and about 50% of all Norwegian calls in South America are to Brazilian ports. Most of these calls are by chemical and other tankers, but many dry cargo vessels, bulk carriers, ro-ro vessels and gas tankers also call at Brazilian ports. There is growing demand in Brazil for offshore service vessels and qualified crews as a result of the rapid growth of the oil and gas sector. Brazil's shipyard sector is being expanded, but currently has limited capacity both for building new vessels and for repairs. At the same time, Norway has the world's largest fleet of advanced offshore vessels, Norwegian seamen have expertise and experience of challenging offshore operations, and Norwegian shipyards and producers of equipment are world leaders in the construction of offshore

Photo: Norwegian
Seafood Export
Council



vessels. The broad expertise in the Norwegian maritime sector can fulfil Brazil's needs and provides a good basis for Norwegian-Brazilian cooperation in this area.

Brazil has large deposits of minerals, including iron ore, bauxite and phosphates. Norway has used its rich hydropower resources to establish itself as Europe's largest aluminium producer, and has for several decades been cooperating with Brazilian companies to ensure raw material supplies. The Norwegian company Hydro and the Brazilian company Vale concluded an agreement in 2011, which gives this cooperation more concrete form and establishes long-term mutual financial collaboration. Norway's expertise and technology in the *metallurgical industry* also has potential in Brazil. Brazil has a significant car manufacturing industry as well as large-scale production of a number of industrial goods and high-tech products, for which aluminium is an important material.

Brazil's economic development makes it an interesting growth market for *Norwegian seafood*; for example, there is a basis for further growth in the export of klippfish, and a potential for developing the Brazilian market for other seafood products from Norway. In recent years, farmed salmon has been introduced into established market segments in Brazil. In addition, the Norwegian seafood industry has identified a possible market for pelagic fish products in Brazil, as the consumption of fish like sardines has a long tradition in the country.

In the area of *renewable energy*, Brazil is the world's next largest hydropower producer, and around 75% of its electricity production is based on hydropower. Brazil is also the world's leading producer of biofuel from sugar

cane. Norway is already engaged in a close dialogue with Brazil through several international initiatives and organisations that promote hydropower and other forms of renewable energy. Norwegian hydropower expertise may be relevant for Brazil as it has started an extensive hydropower development programme, and international investments are being encouraged. Norway has particular expertise in the development of plants with a high head of water, the operation of power transmission systems and energy markets. Brazil also encourages investments in other types of renewable energy, such as production of bioethanol from sugar cane. Norwegian companies are engaged in both hydropower and bioethanol projects in Brazil.

Norwegian *environmental technology* could also be of interest to Brazil, for example separation technology, membrane technology and nanotechnology for water purification, and sensor technology for environmental monitoring. Norway has a high level of expertise in environmental legislation and standards, and can offer good certification services and environmental management systems. There are opportunities for business cooperation between Norway and Brazil in this area.

New markets for Norway's *defence industry* include South America as well as a number of countries in Asia. Brazil has established large-scale investment programmes in this sector. There is increasing contact between Norway and Brazil in the defence policy area, and Brazil's interest in Norwegian defence equipment is growing. Norway's defence industry has increased its activities in the Brazilian market in recent years.

Brazil intends to develop a *sustainable fisheries and aquaculture industry*, which

means there is a broad and mutually interesting basis for enhanced exchange of knowledge and technology cooperation in this sector. The development of aquaculture in the Amazon region and other parts of Brazil will also provide opportunities for Norwegian suppliers of technology and equipment.

Brazil is the world's largest producer of a number of food products, and there is great potential for increased production. Norwegian companies with expertise in areas such as production of *mineral fertilisers* are in a strong position, and represent a good example of Norwegian–Brazilian business cooperation.

Brazil is about to carry out major infrastructure developments, particularly in connection with the FIFA World Cup in 2014 and the 2016 Summer Olympics. Regional development and public transport are critical areas. Strong economic growth is making it necessary to upgrade Brazil's ports, and domestic air transport is in rapid development. There may be good opportunities for relevant Norwegian companies in these areas.

1.4 Capacity-building and expansion of industry-oriented research

Education and capacity-building are vital for ensuring the availability of qualified labour and continued economic development in Brazil. The Government will support educational and training initiatives where the business sector invests in capacity-building and social development that both the business sector and Brazilian society benefit from.

The Government will also support cooperation between Norwegian and Brazilian interest organisations, companies and institutions in the area of competence-building and education. Questions concerning access to qualified labour will also be raised in the Government's dialogue with relevant Brazilian authorities.

Training of Brazilian seamen and exchange of expertise in the maritime sector and the petroleum industry are vital factors for the business sector in Brazil. The cooperation agreement of February 2011 between the Norwegian seamen's unions and their Brazilian sister organisation is an important instrument for expanding cooperation in this area. It focuses on maritime training and competence-building. The Norwegian Shipowners' Association has decided to establish an office in Brazil, *Casa Marítima Norueguesa*, to ensure better protection of the interests of the Norwegian maritime community.

The Government considers it important that Norwegian companies and R&D institutions are able to cooperate with Brazilian partners on the development of technology. It will be important to ensure good cooperation agreements with relevant Brazilian partners with this in view, and to encourage close cooperation with relevant Norwegian bodies.

Cooperation on technology and research, especially in the energy sector, is a very important element of relations between Norway and Brazil today. Petrobras includes strategies for development and for meeting technological challenges in its vision for future oil production. It has also identified strategic cooperation partners, including Norwegian ones. It is important that more companies based in Norway are selected as strategic

partners for Petrobras, Statoil and other companies, but it is also important to seek to ensure that small and medium-sized enterprises that offer niche technology receive support for promotion and establishment in Brazil.

Good examples of measures that can help companies achieve their goals include: Innovation Norway's agreement with Petrobras' R&D centre CENPES, and the network programmes for small and medium-sized enterprises and the advisory services for individual companies organised by Innovation Norway and INTSOK.

Industry-oriented research cooperation is beginning to develop in other sectors too, including fisheries and aquaculture, where Norwegian and Brazilian research institutions have concluded several cooperation agreements (see section 2.4 for more details).

1.5 Corporate social responsibility

The Government intends the white paper entitled *Corporate social responsibility in a global economy* (Report No. 10 (2008–2009) to the Storting) to form the basis for all Norwegian business activities, including those in Brazil, and would like the Norwegian business sector as a whole to have a clear environmentally-friendly, ethical and socially responsible profile.

Exercising corporate social responsibility (CSR) helps to strengthen Norwegian companies' position and reputation, as well as Norway's reputation in general, in Brazil. Foreign companies operating in Brazil are often expected to contribute to social and economic development in the local area. Good cooperation with the local authorities and other relevant partners,

including civil society actors, will be important in this connection.

The Government attaches importance to all aspects of CSR, including respect for human rights, the environment, workers' rights and the fight against corruption. Norwegian businesses are expected to take a precautionary approach. Companies engaged in the extraction of natural resources must respect the rights of indigenous peoples and local communities, and all companies must also pay attention to CSR in the supply chain.

Working life in Norway is characterised by a solution-oriented approach to labour issues and regulation of relations between the social partners. Brazil has shown interest in this model of cooperation, and the Government has, together with the Confederation of Norwegian Enterprise (NHO) and the Norwegian Confederation of Trade Unions (LO), become engaged in cooperation with Brazilian partners on *social dialogue*. This cooperation facilitates the exchange of experience with Brazilian actors and helps to create meeting places and arenas for dialogue between the social partners. The Government wishes to further develop this cooperation in areas where this is of mutual interest, for example in the form of regular meetings and the development of joint projects.

Like Norway, Brazil plays an active role in promoting international CSR norms and standards. The Government wishes to intensify its contact with the Brazilian authorities, and to advance the international CSR agenda. The same applies to the decent work agenda, which has four strategic objectives: guaranteeing rights at work, creating jobs, extending social protection and promoting social dialogue.

2. Cooperation on climate and environmental issues and sustainable development

Climate change and environmental issues are very high on the political agenda in both Norway and Brazil. Possessing as it does one-third of the world's remaining rainforests, and because deforestation has declined considerably in the last few years, Brazil plays an influential international role in the area of climate change and biodiversity. The country is vulnerable to the impacts of climate change, such as changes in rainfall patterns, desertification (especially in the northeastern parts of the country), more frequent flooding and loss of biodiversity. Today Brazil is at the forefront of efforts to reduce deforestation, holds a leading position in biofuel production and is a key actor in global processes concerned with the environment and sustainable development. The most developed parts of the country are also at the forefront in the field of traditional pollution control. Brazil is in the process of becoming an important international bridge-builder, and as a member of the BASIC group, together with South Africa, India and China, it makes a major contribution to international environmental cooperation.

Norway supports Brazil's efforts to reduce emissions from deforestation and forest degradation through its contribution to the Amazon Fund. Even before the establishment of the Fund, Norway had a long history of support for Brazilian indigenous people's organisations both in and outside the Amazon region.

The Government views Brazil as an important partner in the work on environmental and climate issues, and considers that active and ambitious cooperation between Norway and Brazil would be of great benefit to both countries.

The Government will:

- strengthen cooperation on global environmental and climate issues and seek to form a strategic partnership with Brazil in international processes and negotiations;
- further develop the climate and forest cooperation through close follow-up and dialogue;
- establish a separate dialogue on environmental issues, especially on climate change, biodiversity and hazardous substances, and expand existing bilateral environmental cooperation;
- develop cooperation with Brazil on sustainable fisheries and aquaculture management;
- strengthen cooperation with Brazil on indigenous issues, and promote cooperation with indigenous peoples' organisations and contact between indigenous peoples in Norway and Brazil.

2.1 Global climate, environmental and development issues

Brazil is a key actor in international negotiations and an important strategic partner for Norway in global environmental and development efforts. The Government wishes to further strengthen this partnership, especially in the fields of climate change, biodiversity and hazardous substances. The preparations for the United Nations Conference on Climate Change in Durban, South Africa, in 2011 will provide good opportunities for cooperation on climate policy, for example on the establishment of the Green Climate Fund, to which Brazil attaches great importance.

Another priority for Brazil is following up the global processes towards sustainable

development, and Norway wishes to be an active and constructive cooperation partner in these efforts. If Rio+20 (the UN Conference on Sustainable Development to be held in Rio de Janeiro in 2012) is a success, it may be a milestone, since its two main themes are: a green economy in the context of sustainable development and poverty eradication; and the institutional framework for sustainable development. Norway wishes to work together with Brazil on ensuring that the conference results in effective tools for long-term sustainable development efforts. Close cooperation with Brazil will give us greater opportunities to achieve the goal of sustainable development at the global level.

2.2 Climate and forest cooperation

The Brazilian authorities have taken active steps to stop deforestation. One of the most important of these has been the establishment of the Amazon Fund, which is managed by the Brazilian Development Bank (BNDES). The Fund supports forest-related, environmental and development projects aimed at further reducing deforestation.

Norway's cooperation with Brazil on REDD+ (Reducing emissions from deforestation and forest degradation in developing countries) is an important element of our International Climate and Forest Initiative, and our contribution to the Amazon Fund is at the core of this cooperation. Norway intends to provide up to USD 1 billion by 2015 for reducing deforestation in the Amazon region, depending on how far Brazil succeeds in reducing deforestation itself.

The aims of Norway's International Climate and Forest Initiative are the inclusion of emissions from deforestation and forest degradation in developing countries in a new international climate regime and early action to reduce

greenhouse gas emissions from the forestry sector. In addition to the climate targets, the initiative is intended to maintain biodiversity, reduce poverty and promote sustainable development.

The Government will continue its support for REDD+. Brazil's development of a national strategy for REDD+ is a substantial contribution to the efforts to establish an international regime for this initiative and will be a useful source of experience from which other countries can benefit.

The climate and forest cooperation between Norway and Brazil is also an important means of strengthening the links between the work on climate change and biodiversity, and the Government will give priority to this dimension in its cooperation with Brazil.

2.3 Bilateral environmental cooperation

Our good political relations and the memorandum of understanding of 2008 are a good departure point for expanding the environmental cooperation agenda and establishing a regular dialogue on environmental issues. The Government wishes to conduct formal bilateral consultations with Brazil on environmental policy issues, and to use the dialogue as a basis for specific cooperation measures and environmental projects.

The content of Norway's cooperation with Brazil will be based on the two countries' needs and expertise, and will emphasise mutual benefits. One of Norway's main objectives will be to develop specific measures in the thematic priority areas of climate, biodiversity and hazardous chemicals within the framework of the multilateral environmental agreements. The Government wishes to facilitate dialogue and cooperation with Norwegian

expertise on topics in which Brazil has expressed particular interest, such as integrated management plans, oil spill response, environmental monitoring and management of hazardous waste. Other possible topics are the planned and completed actions for dealing with persistent organic pollutants under the Stockholm Convention on Persistent Organic Pollutants (POPs), the efforts to reduce mercury pollution, including the negotiations on a global legally binding agreement on mercury, and the links between biodiversity and climate change.

Both Norway and Brazil intend to follow up the recommendations of the Economics of Ecosystems and Biodiversity (TEEB) study to factor the value of biodiversity and ecosystem services into national decision-making processes and, where possible, into national accounts and statistics. This will also form a good basis for cooperation.

In addition, the Government will seek to cooperate with Brazil in the work on the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES). A further relevant area for cooperation is capacity- and knowledge-building in developing countries.

The Government envisages that this cooperation will build up the environmental authorities' expertise in both countries, which will provide a common basis of experience that will strengthen the political dialogue on the environment. This cooperation should involve experts and research communities in both countries, and Norwegian and Brazilian knowledge institutions are currently engaged in a dialogue with this in view.

It will also be useful to learn from the experience gained in Norway's environmental cooperation with other key actors, such as China, India and South Africa, with which Brazil already

has broad environmental policy cooperation.

Brazil has also made green economy a priority area for its economic development. The country already has 2.7 million registered green jobs and the green job sector is growing faster than the rest of the labour market. As a leading nation in the field, Brazil would be a good partner for Norway in the dialogue on green economy.

2.4 Sustainable fisheries and aquaculture management

The Brazilian authorities have initiated cooperation with Norway on the development of Brazilian fisheries and aquaculture management, and our fisheries ministries have concluded a Memorandum of Understanding on cooperation. The focus is on establishing a knowledge-based and environmentally sustainable regime. Brazil also wishes to cooperate with Norway on developing aquaculture in the Amazon region as an alternative to cattle farming in connection with the efforts to reduce deforestation.

The Government is in favour of cooperation in the fisheries and aquaculture sector. Brazil is an important actor in international fisheries management, and bilateral cooperation will also enhance cooperation at international level. Norway is also interested in promoting sustainable food production and jobs in the Amazon region. The Norwegian fisheries authorities have extensive experience of fisheries and aquaculture management, both domestically and as an adviser to other countries in their efforts to build their own fisheries and aquaculture management regimes. The Norwegian and Brazilian fisheries authorities are currently working together on defining the scope and arranging the financing of this cooperation.

In addition to cooperation at government level, there are plans for cooperation between Norwegian and Brazilian research institutions in the field. The development of the aquaculture industry in the Amazon region and the rest of Brazil will also provide opportunities for the Norwegian business sector.

2.5 Support for indigenous peoples

There are close links between the efforts to strengthen the rights of indigenous peoples, especially their territorial rights, and the conservation of biodiversity and forests in Brazil. About 60% of Brazil's indigenous peoples live in the Amazon region, and indigenous peoples' territories are the areas with the lowest rate of deforestation, which is why the Brazilian authorities have long appreciated the links between indigenous peoples' rights and the efforts to curb deforestation. This means that indigenous peoples' access to resources from the Amazon Fund must be given priority.

The Government wishes to cooperate with the Brazilian authorities on intensifying the efforts to secure the rights of indigenous peoples. Both Norway and Brazil are party to the United

Nations Declaration on the Rights of Indigenous Peoples and have ratified ILO Convention 169, which are the most important international instruments for indigenous rights. The UN Permanent Forum on Indigenous Issues and the Expert Mechanism on the Rights of Indigenous Peoples are among the principal forums for international cooperation in this field.

Since 1983, Norway has been supporting a programme for indigenous peoples in Brazil, the main aim of which is to strengthen indigenous peoples' organisations. We also support efforts to secure indigenous rights through other channels, and Norwegian NGOs play an important role in this work. In addition, the efforts to promote direct contact between Norwegian and Brazilian civil society will be continued. The Government also considers it important to support the indigenous peoples outside the Amazon region, who often live under very harsh conditions.

The Government wishes to provide more substantial support for the cooperation and exchange of experience between the Norwegian and Brazilian indigenous peoples, for example in the fields of culture, higher education, consultation practices, and natural resources management.



The Yanomami tribe live isolated from the rest of the world in the Demini region of the Amazon rainforest.

Photo: Thomas Nilsson/ VG/ Scanpix

3. Global challenges

Brazil is a major emerging economy that is making its mark on the international political agenda. In addition to its influential role in the WTO, the UN and new global governance forums like the G20, the country is playing an active role together with Russia, India, China and South Africa in new cooperative alliances and groups such as BRIC, IBSA and BASIC. It also plays a key role in the organisation of developing countries G77, and is in a good position to act as a global bridge-builder. The country is a regional major power and in recent years has played a leading role in promoting regional integration.

In a changing world, in which the global governance system is being redefined, all countries should not only consolidate existing relations but also seek new cooperation partners and alliances. This is also Norway's objective. Good dialogue and well-functioning cooperation with influential countries like Brazil are an important means of gaining acceptance for our priorities and for arriving at joint solutions to common problems. The fact that Norway and Brazil subscribe to many of the same values and principles and both attach importance to the international legal order, peaceful conflict resolution, multilateralism, the fight against climate change, promotion of human rights and the fight against poverty makes it even more appropriate to strengthen our cooperation.

Norway wishes to further develop its cooperation with Brazil in areas that are of interest to both countries and where they can exchange experience and expertise.

The Government will:

- conclude an agreement on regular foreign policy consultations with Brazil;

- further develop and intensify cooperation with Brazil on global and international issues in areas of mutual interest;
- strengthen the foreign and development cooperation policy networks between Norway and Brazil and promote closer cooperation between research communities and foreign policy institutes; and
- intensify cooperation with Brazil on development in third countries where our thematic and geographical priorities coincide and where cooperation will provide synergies and added value.

3.1 Cooperation on global and international issues

Brazil is already a relevant and important cooperation partner for Norway in many different international forums and processes, both inside and outside the UN. For example, both countries have an interest in safeguarding and further developing a strong, multilateral, rule-based trade regime, which means that they both consider it essential to complete the negotiations in the Doha round. Brazil is playing a major role in the work on disarmament and non-proliferation and has a growing influence on international financial institutions. Norway intends to follow up and intensify its cooperation with Brazil in all these areas and to take steps to expand the cooperation to cover other areas.

Norway and Brazil have already established close cooperation on international environmental and climate issues, and this will be expanded (see Chapter 2 above). The possibility of cooperation in other areas should also be explored. Regular foreign policy consultations with Brazil would give us the opportunity to work in more depth

with selected areas, and jointly develop an agenda for closer strategic cooperation.

Norway is particularly interested in expanding dialogue and cooperating more closely in the areas discussed below.

Global governance mechanisms

Brazil wishes to participate in global decision-making forums and has expressed the view that many of the international institutions that were established in the wake of the Second World War do not reflect the world as it is today. Brazil is therefore a strong advocate of reform of established global decision-making and governance institutions such as the UN Security Council, as well as being a candidate for a permanent seat on the Council. It also supports the establishment of new global governance mechanisms with limited membership, and played an active role in the establishment of the G20. Norway will seek to persuade large countries like Brazil that the interests of smaller countries should also be represented in central global decision-making forums like the G20 if these are to have any real legitimacy.

Brazil was among the initiators of the international work on innovative financing for development. It plays a very active role in this work and together with Norway has made proposals in several international forums for the introduction of a financial transaction levy to finance development.

Brazil is also engaged in the efforts to reduce the illicit financial flows from developing countries, which often depend on tax havens. The G20 has now acknowledged the link between illicit financial flows and tax havens on the one hand and lack of development in poor countries on the other. Even closer

cooperation between Norway and Brazil on this agenda will strengthen both G20 efforts and more general international efforts to promote innovative financing for development and combat illicit financial flows.

Closer cooperation between Norwegian and Brazilian research institutions on issues relating to global governance, the UN and forums like the G20 can also foster more analysis and greater understanding of different countries' perspectives on the changing world order. This could again lead to even closer cooperation between Norway and Brazil.

Global health issues

Brazil occupies a prominent international position in this field and has helped to put a number of important topics on the agenda, including universal health care, state welfare systems and access to pharmaceuticals. Norway and Brazil are already cooperating closely within the Foreign Policy and Global Health Initiative, which is a good basis for further efforts.

There is potential for strategic cooperation on health and global governance, not only in the efforts to achieve the Millennium Development Goals, but also in the fields of trade in pharmaceuticals, international agreements negotiated through WHO, security and peacebuilding, and humanitarian efforts.

The emerging research cooperation between Norwegian and Brazilian academic institutions on foreign policy and global health will help to identify further areas for cooperation on this topic.

International humanitarian issues

Brazil participates in international humanitarian work and contributes to

the UN's humanitarian efforts. Brazil's role as contributor of troops, member of the Security Council in 2010–11 and influential member of the UN is also relevant in a humanitarian perspective. In 2010 Brazil was one of the donors to the UN Central Emergency Response Fund, and endorsed the principles of good humanitarian donorship. Brazil is an important global and regional actor in the efforts to strengthen respect and ownership of humanitarian principles and international humanitarian law. Its growing humanitarian engagement is a good departure point for intensifying our dialogue and cooperation in this field.

Brazil is also a relevant partner in the efforts to combat armed violence, not least due to its own problems and experience, and Norway is cooperating with Brazilian NGOs on this issue. Brazil is a state party to the Mine Ban Convention, but has not signed the Convention on Cluster Munitions.

Human rights

It is vital for the success of the international efforts to promote human rights that the countries of the North and South join forces and work together. This also reinforces the principle that human rights are universal. Norway and Brazil cooperate well in forums like the UN Human Rights Council, of which both countries are now members.

There are strong indications that Brazil will become even more actively engaged in human rights issues, including efforts to deal with serious human rights violations in individual countries. Norway is therefore interested in closer cooperation with Brazil in this area, for example on issues such as human rights defenders, indigenous peoples' rights, and human rights and the business sector. Brazil's uniquely multicultural population and the way it addresses human rights mean that non-

discrimination and the rights of lesbian, gay, bisexual, and transgender people would also be suitable topics for close cooperation.

Peacekeeping, peacebuilding and conflict resolution

Due to its size and influence Brazil has had a stabilising effect on the region, and in the last few years has played a significant role in easing diplomatic crises and internal conflicts. The country has shown great willingness to help to stabilise Haiti, primarily through its important contribution to MINUSTAH. There is good potential for cooperation and exchange of experience with Norway in connection with preparations for and participation in UN peacekeeping operations.

Norway and Brazil have been cooperating for several years on peace and reconciliation. The potential for closer cooperation is greatest in Haiti, where both countries are extensively involved, but there is also room for greater cooperation on specific issues in other countries and regions where the two countries are engaged. Contact between research institutions and foreign policy institutes could be used as a stepping stone for intensifying political and operative cooperation between Norway and Brazil in this sector. The UN Peacebuilding Commission, the UN's role in peace negotiations and conflict prevention, and the follow-up to the Special Committee on Peacekeeping Operations are also opportunities for closer cooperation at multilateral level.

3.2 Cooperation on development in third countries

Brazil has become a significant bilateral actor, donor and cooperation partner for a number of countries in the South, and

attaches importance to South–South cooperation. This applies especially to Africa, a continent with which it has strong historical links, and it has recently established new embassies in a number of African countries. Brazil also plays an active role vis-à-vis some Latin American countries and the Caribbean.

Brazil is interested in closer cooperation with Norway on promoting development in third countries. Brazil has expertise and experience in the field of development that could be of great benefit to many countries in the South, and Norway has long experience as a donor that could benefit Brazil. Such cooperation would naturally be on a case-to-case basis and involve a study of areas where Norwegian and Brazilian expertise could complement each other, realise synergies and add value in the context of sustainable development in third countries.

Norway and Brazil have cooperated on projects in Angola and Guinea-Bissau, and are currently extensively engaged in Haiti, where there is great potential for closer cooperation. Our climate and forest cooperation is also a good starting point for further development cooperation activities.

Brazil has valuable expertise in agriculture/food security to offer African countries, and Brazil's own green revolution, which transformed the Cerrado region, is highly relevant. AGRA, the Alliance for a Green Revolution in Africa, which Norway also supports, has made much use of Brazil's experience. This is an approach that Norway intends to apply in its assistance to African countries in the field of agriculture adapted to climate change.

The possibility of cooperation on following up human rights commitments in countries where both Norway and Brazil are engaged could also be further discussed. Brazil's interest in issues such as welfare policy and global health could serve as a bridge to cooperation with Norway on access to basic health services. Likewise, Norway's international engagement in the efforts for decent work, and the fact that Brazil also gives this work priority, is also a good basis for intensified cooperation.



Photo: Mark Leibowitz/ Masterfile/ Scanpix

4. Knowledge exchanges and social development

Brazil has a strong focus on innovation, research and higher education, and has many research and education institutions that have an international reputation. There are research communities in both Norway and Brazil that are at the forefront of international research in a number of fields and disciplines. The Government intends to encourage closer cooperation on research, especially in the main priority areas of the strategy. There are already several memorandums of understanding that were concluded in 2008 on closer cooperation between the two countries in the research and higher education sector.

The Government will seek to expand and strengthen Norway's contact and cooperation with Brazil. This will be valuable over the long term, and will create more meeting places and arenas for further contact. It will also increase awareness about Norway and strengthen Norway's image in Brazil. An important element of all bilateral relations is the acquisition of knowledge about each other's cultures, languages and societies, and Norway and Brazil would also benefit from sharing experience in this sector. Greater contact between civil society actors in different fields will raise awareness and increase knowledge about Norway in Brazil and about Brazil in Norway.

The Government will:

- strengthen cooperation in research and higher education, identify measures to build long-term cooperation on knowledge-building and facilitate more exchanges of students and researchers;
- strengthen the existing Latin-America programme by allocating funding earmarked for Brazil;
- intensify cultural cooperation with Brazil and support cultural projects

that create meeting places and reinforce political priorities; and

- support cooperation initiatives in the field of sport that highlight the social dimension of sport.

4.1 Cooperation in the research and higher education sector

Cooperation in the field of research and higher education is valuable in itself in addition to leading to broader contacts between countries. Both Norway and Brazil have research communities of a high international standard in specialised fields, and Brazil is expected to become an increasingly important partner for Norwegian research and higher education institutions in the years ahead.

Since closer cooperation in the research and higher education sector will also promote the political, economic and social goals of the strategy, this cooperation should focus on the strategy's priority areas. Among the fields of interest are the energy sector, especially oil and gas but also renewable energy sources, the maritime sector, fisheries and aquaculture, climate and the environment, and societal issues and foreign and development cooperation policy. Enhanced collaboration on research and higher education about and for indigenous peoples would also be advantageous.

Several Norwegian academic institutions have already established good contacts with universities and research institutions in Brazil, and cooperation in a number of areas such as fisheries and aquaculture, food production, and oil and gas has been established. However, in the light of Brazil's importance for Norwegian interests and that country's own investment in research, the

opportunities for cooperation in this sector are limited.

Norwegian researchers who wish to establish cooperation with Brazilian academic institutions are encumbered by a lack of meeting places and information, differing administrative procedures and lack of financial resources for cooperative initiatives. Closer cooperation would be of mutual interest in a number of academic fields, but it must be based on an equal partnership and on the quality and relevance of the research and the education offered. The memorandums of understanding between Norway and Brazil on cooperation in this sector will be followed up and translated into practical projects, for example through the Research Council of Norway's international strategy for research cooperation.

The Government wishes to intensify cooperation in areas that are mutually relevant and of a high scientific quality. Cooperation in higher education should as far as possible be linked up with research cooperation in order to achieve optimal synergy.

The Government will take steps to gain an overview of the existing cooperation, research communities and sources of financing in order to identify measures to encourage closer contact between Norwegian and Brazilian institutions and research communities, including researcher and student exchanges. Support will be given for spreading information on existing schemes, and priority will be given to facilitating institutional cooperation.

Education, research and innovation will be particularly important for Brazil's efforts to achieve its development goals in the years ahead. Norway wishes to serve as a cooperation partner in this



respect and also attaches importance to helping Norwegian businesses and R&D institutions to cooperate with Brazilian partners.

Photo: Marit Hommedal/ Scanpix

4.2 Cooperation on culture and sport

The scope of cultural cooperation between Norway and Brazil has so far been limited compared with Norway's cultural cooperation with other countries of the same size and importance.

Cultural cooperation with Brazil has been dominated by initiatives taken by individual Norwegian and Brazilian artists, and there has been little high-level contact between the two countries' cultural authorities. Now, however, institutions in both countries are showing increasing interest in this type of contact, and there is potential for considerably greater cooperation.

Brazil has an active cultural policy that seeks to involve all sectors of the population and provide cultural activities of a high quality that are accessible to all. The country is also developing a cultural policy specifically for its indigenous peoples. Contact between Sami institutions and Brazilian indigenous peoples' institutions and



Photo: Silvia Izquierdo/Scanpix

authorities would open up many interesting possibilities.

For cultural cooperation to increase, greater contact between the cultural authorities at national and regional levels should be supplemented by efforts to facilitate closer contact between institutions. Direct contact between artists and cultural institutions is an important means of encouraging long-term cooperation. In regions with a particularly large Norwegian presence, strategic partnerships could be developed with local cultural authorities.

Although there are many cultural fields where cooperation would be of interest, the Government wishes to give priority to film, music, dance, literature, the visual arts and others where a good deal of contact has already been established. These fields also have great potential for Norway's public diplomacy efforts, and cooperation with the business sector on cultural projects would also supplement companies' work with CSR.

Cultural projects that fit in with joint Norwegian–Brazilian political priorities, such as climate issues, issues relating to indigenous peoples and social development issues, will be supported and used to create arenas for further interaction.

Norway and Brazil share a huge interest in *sport*. Brazil is a major sports nation, and schools are often used as an arena for organised sports. Closer collaboration in this area would increase the breadth of our overall cooperation, engage civil society, create new meeting places and networks, and have considerable public diplomacy value for both countries. Brazil has a breadth of experience that would greatly benefit Norway and Norwegian sport. Furthermore, sport plays a large role in children's development, provides an important arena for developing social skills and promotes social inclusion. Closer cooperation here would give children in both countries enormous enjoyment.

The many forthcoming major sports events in Brazil, including the World Women's Handball Championship in 2011, the football World Cup in 2014 and the 2016 Summer Olympics in 2016 will form an interesting backdrop for the development of our sports cooperation.



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