



**NINTH REPORT FROM THE FOREIGN AFFAIRS COMMITTEE OF SESSION
2010-12**

UK-BRAZIL RELATIONS

**RESPONSE OF THE SECRETARY OF STATE FOR FOREIGN AND
COMMONWEALTH AFFAIRS**

Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty

December 2011



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UK-BRAZIL RELATIONS

RESPONSE OF THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

1. The Government welcomes scrutiny by the Committee of its work to elevate bilateral relations with Brazil. The Government places great importance on ensuring that we uphold our responsibility to Parliament and that we are as transparent as possible in reporting on our work. We welcome the Committee's report, and its efforts to highlight the opportunity that Brazil presents for the UK. We are pleased to be able to respond positively to many of the Committee's recommendations. We continue to welcome scrutiny from Parliament and feedback from businesses, NGOs and other institutions as we seek to strengthen further our relations with this emerging power.
2. This Command Paper sets out the Government's response to the Foreign Affairs Committee's report of 18 October 2011 into UK-Brazil relations. The Committee's recommendations are set out in bold. Unless otherwise indicated, references are to paragraphs in the Foreign Affairs Committee Report (HC 964).

Recommendation 1

3. **We welcome the Government's public commitment to a stronger bilateral relationship with Brazil. The growing political and economic importance of Brazil represents an opportunity for the UK, not a threat. We conclude that the Government is correct to identify the opportunities that Brazil's rise brings. We recommend that it continue to invest effort in revitalising the UK's relations with Brazil, notwithstanding any temptation to redeploy**

resources to other parts of the world, such as the Middle East and North Africa, where momentous events have been occurring. (Paragraph 14)

4. The Government welcomes the Committee's views on the growing political and economic importance that Brazil represents to the UK, and its support for our commitment to elevate relations. The Government believes strengthening relations with Brazil helps to promote a range of UK interests. Our renewed focus on the relationship is a long-term commitment, not a passing fad. Closer engagement with all the emerging powers is a central focus of this government's approach to increasing the UK's prosperity and security. As the Foreign Secretary highlighted in the Canning Lecture in November 2010, despite the UK playing a strong role in the independence movements of Latin America, recent British governments have neglected relationships with the region. This Government has promised – and is delivering – an end to this withdrawal. We are thinking afresh about Latin America. Brazil has a particular place within this reinvigorated approach as the largest economy in the region and a growing global power.

5. As announced by the Foreign Secretary on 11 May this year, the Government and its agencies are increasing resources in the Brazil network to deliver this engagement. Jeremy Browne, Minister of State with responsibility for Latin America, opened a Consulate-General in the north-east city of Recife in late November. We are putting more staff on the ground to cover trade and investment, science and innovation and cultural co-operation – in Brazil and elsewhere in Latin America. The British Council is trebling its budget for work with Brazil in the next financial year. That this is taking place at a time when the Foreign and Commonwealth Office is reducing its budget – as part of overall reductions to public spending – demonstrates our commitment to Brazil and the region.

Recommendation 2

6. **We conclude that the efforts made by the Government to strengthen the UK's bilateral relationship with Brazil are welcome. We note that the forthcoming London Olympic and Paralympic Games will be invaluable in**

bringing the UK and Brazil closer together. We further conclude that while the Government's efforts are to be welcomed, they should be only the beginning. We recommend that the Government view its aspiration to enhance the UK-Brazil relationship as one requiring a long term commitment to maintain the recent momentum. We will continue to monitor developments in the bilateral relationship throughout this Parliament. (Paragraph 27).

7. The Government agrees that the UK and Brazil have a unique opportunity this decade to further bilateral relations through sport, as both countries prepare to host the Olympic and Paralympic Games in 2012 and 2016 respectively, and Brazil hosts the football World Cup in 2014. We signed a Memorandum of Understanding with Brazil in 2009 on Olympics co-operation. We have also signed a UK-Brazil Host2Host agreement to generate commercial opportunities from hosting the Games. Within this framework, we have developed a regular programme of exchanges with Brazil, at all levels of government, to share our experience and expertise in a range of areas, including security for major sporting events, sustainability, masterplanning, accessibility and diversity, culture, and social and economic legacy. This shared opportunity is also providing commercial opportunities for UK companies, boosting UK prosperity. Twenty British companies have already won business linked to Brazil's hosting of the World Cup and Olympic and Paralympic Games to date, including AECOM UK winning the masterplanning competition for the Rio 2016 Olympic Park.
8. The Government assesses that 2012 will be a particularly important year in UK-Brazil relations as we seek to build on the foundations established in 2011. This will culminate in the handover of the Olympic torch to Brazil in September 2012, followed by a Government-led six month programme of intensive promotion of the best of British business, culture, science and innovation in Brazil in the form of a UK Season, "UKBrasil", closely tied to the GREAT campaign. Our commitment to enhancing UK-Brazil relations is serious and long-term, and based on a strategy and programme of work for the rest of this Parliament.

9. The Government welcomes the Committee's continued interest in UK-Brazil relations and undertakes to keep the Committee regularly informed of future activities, including via the quarterly updates on Olympics-related public diplomacy work which Mr Browne provides to the Committee.

Recommendation 3

10. **A double taxation agreement between the UK and Brazil would not alter the commercial relationship between the two countries overnight, but it would be of practical assistance to UK companies trading in Brazil and be an important symbolic step in highlighting the importance that the UK Government is placing on the improved trade links. We recommend that the Government continue to lobby hard on this issue during upcoming Ministerial visits and at the annual UK-Brazil Joint Economic and Trade Committee meeting. (Paragraph 32).**
11. The Government notes the recommendation of the Committee and agrees that a double taxation agreement (DTA) along the lines of the OECD Model DTA would be of assistance to UK business operating in Brazil. In an OECD-style agreement states concede taxing rights and remove burdens such as high withholding taxes on income flows. Brazil's treaty policy varies significantly from this approach as Brazil sees treaties as confirming existing domestic law taxing rights with few concessions or relaxations. A Brazil-style treaty would be of little assistance to UK business.
12. There is no indication that Brazil is considering changing its treaty policy. Nevertheless lobbying efforts will continue to be made when appropriate. Most recently, Business Secretary Vince Cable raised double taxation with Trade Minister Pimentel at the Joint Economic and Trade Committee (JETCO) on 7 November. Both sides committed to working together to develop further co-operation in this area.

Recommendation 4

13. We conclude that the Government's proposed changes to student visa entry requirements may make it more difficult for Brazilian students to study in the UK, at the very time when the Brazilian government is proposing to increase the number of Brazilians studying abroad. We recommend that the FCO explore with the Home Office what steps can be taken to ensure that the new visa regime does not prevent suitably qualified *bona fide* Brazilian students from entering the UK to study. We further recommend that, in its response to this Report, the FCO inform us of the outcome of these discussions. (Paragraph 39).

14. The FCO has explored with Home Office officials the impact of the UK visa regime on prospective students from Brazil. The Government recognises the important contribution that international students make to the UK's economy, and to making our education system one of the best in the world. Changes to the UK's visa regime should not prevent suitably qualified *bona fide* Brazilian students from entering the UK to study. Indeed, our explicit intention in making these changes is to attract the brightest and best from around the world to study at UK institutions. The Government's aim is to eliminate abuse and focus on high quality, high value sectors. The brightest and the best students who have the greatest contribution to make to the UK will continue to be welcomed under the student route. The Government will take further steps to ensure that this message is effectively communicated to prospective students from Brazil.

15. Under the Brazilian government-funded "Science without Borders" programme, Brazil plans to send up to 10,000 undergraduates and post-graduates in science and engineering to spend a period of their studies at a UK institution. Both governments recognise the opportunities the "Science without Borders" scheme represents both in the short term, for bringing the best students to Britain, and in the long term for building up our science and technology relationship. With Government support, the UK education sector has responded positively to the proposals and it is hoped the first Brazilians students under this scheme will take

up places as early as January 2012. This scheme forms part of a wider plan to expand education and research links with Brazil over the coming years.

Recommendation 5

- 16. Given the importance that Brazil is placing on a successful outcome to the forthcoming Rio+20 Conference, we conclude that the conference represents a golden opportunity for the UK to show its commitment to a stronger bilateral relationship. We recommend that British Ministers, diplomats and officials should liaise closely with their Brazilian counterparts during the run-up to Rio+20, not only to maximise the chances of a successful outcome to the conference but, as an ancillary benefit, further to enhance UK-Brazil relations. We welcome the work of our colleagues on the Environmental Audit Committee in this area. (Paragraph 42).**
17. The Government agrees that Rio+20 is a decisive moment to mainstream sustainable development globally, and strongly welcomes Brazil's leadership in this area. We appreciate the depth of the working relationship we already have between Ministers and officials, and look forward to further developing this as we assist with preparations for Rio+20.
18. We are in agreement with Brazil that Rio+20 is an opportunity to make a clear and compelling case for green growth, to demonstrate that growth depends on the sustainable management and use of natural resources, and to make clear that the major global challenges facing us – food security, environmental degradation, climate change, poverty eradication – are inextricably linked and cannot be tackled piecemeal. We are working with Brazil to maximise the chances of a successful outcome to the conference.
19. We welcome the Environmental Audit Committee's Report, "*Preparations for the Rio+20 Summit*". We agree that political leadership and political will are essential in making Rio+20 a success. The Secretary of State for the Environment, Food

and Rural Affairs, Caroline Spelman, is leading the UK's preparations and will attend. Any further decisions on the UK delegation will be made nearer the time.

Recommendation 6

20. We conclude that the UK's explicit support for Brazil's permanent membership of the UN Security Council, as part of wider UN reform, is to be welcomed. We believe that Brazil has a potentially valuable role to play on the global stage, drawing upon the prestige and legitimacy conferred by its rising economy, its commitment to democracy, and its status and experience as a member of the developing "South". We recommend that the Government should continue to seek to act in close partnership with Brazil at the UN and in other international fora, and should encourage Brazil increasingly to take on the responsibilities associated with being a major global power. In this context we welcome the recent development of Brazilian foreign policy under President Dilma Rousseff, particularly with regards to the promotion of human rights in other countries. (Paragraph 64).

21. The Government welcomes the Committee's positive assessment of our continued support for Brazil's permanent membership of the UN Security Council, and concurs with the Committee that Brazil's growing economic and political potential offers it a chance to play a significant and positive role in the international community. The Government will continue to work with Brazil on a broad range of matters relating to international peace and security, including peacekeeping, security issues in sub-Saharan Africa and the continuing political developments of the Arab Spring.

22. We also welcome recent developments in Brazilian Foreign policy regarding the promotion of human rights in third countries, and work closely with Brazil on these issues in the UN and other International fora. At September's Human Rights Council, the UK and Brazil cosponsored a resolution on the theme of promoting human rights through sport and the Olympic ideal. A major event on this theme is planned for March 2012 at the Human Rights Council in Geneva.

We have also been working closely with Brazil on the human rights situation in Iran, Syria, and other countries of concern, including in the UN General Assembly.

Recommendation 7

23. The turning away of a Royal Naval vessel is a serious matter. We regret that the Brazilian government felt it necessary to take such action. While we accept the UK Government's position that they would prefer to discuss such matters in private and "away from the full glare of media and public scrutiny", we note with disappointment their reticence on this matter in correspondence with us. (Paragraph 70).

24. We note the Committee's regret that the vessel in question was not granted diplomatic clearance. Indeed we share it, although we acknowledge this was a decision for the Brazilian government. We firmly believe that naval and other military exchanges, including ships' visits, are in the interest of both our countries. We recognise the sensitivities caused by Argentine pressure on its neighbours, but we continue to enhance our own close and established partnership with Brazil. We have set out this position in correspondence with the Committee, as referred to in the report itself. The detail of private discussions must necessarily remain confidential if they are to be effective, and we remain ready to brief the FAC further in confidence.

Recommendation 8

25. While we are confident that the FCO has in place procedures to prevent a recurrence of this unfortunate development, we have yet to be told precisely why diplomatic clearance was refused for HMS Clyde, however we note that the scheduled arrival of the Clyde clashed with a meeting between the Brazil and Argentinean Presidents. We recommend that, in response to this Report the FCO tell us exactly why clearance was refused and what procedures are now in place, including a guarantee that in future

such applications are overseen by a diplomat of an appropriate level of seniority in order to mitigate against such failings in future. (Paragraph 71)

26. The decision was a sovereign one taken by the Brazilian government, and it is therefore for them to give any precise explanation. For any such request for diplomatic clearance a thorough process of internal consultation and discussion is already in place involving senior staff in the FCO, MOD, our Embassies overseas and other government departments. As above, our offer to brief the FAC further in confidence remains open.

Recommendation 9

27. We conclude that the Government is right to point to the rich opportunities available for British companies willing to develop their trading links with Brazil. The Government target of doubling trade over the next five years is clearly an arbitrary one, as evidenced by the fact that the same target has been picked for increasing UK trade with five other major countries. It is, in effect, simply an indication of intent to use the influence of government to maximise trade opportunities for British companies over this period. We welcome the steps taken by both the previous and the present Government to encourage trade, including the setting up of JETCO and the Brazil-UK CEO Forum. We hope the JETCO will prove a useful forum by which best practice on reducing corruption may be shared with Brazilian businesses. (Paragraph 89)

28. We welcome the Committee's comments that the Government is right to highlight the rich opportunities that are available to British companies willing to develop their trading links with Brazil. The trade target is one of the measures that we use to measure the increase in trading links with Brazil. We believe the target of doubling UK exports by 2015 is an ambitious but achievable target within that timeframe, which is monitored on a bi-annual basis, and we are on track to achieve it. The Government will continue to look at what steps it can take to continue to encourage trade. The last Joint Economic and Trade Commission (JETCO) took place on 7 November in London. It highlighted the areas where

progress has been made in encouraging trade, in particular through the sector-specific working groups that were established last year. The first meeting of the CEO Forum sherpas also took place at this time, ahead of a formal launch of the CEO Forum in 2012.

Recommendation 10

29. We recommend that the Government, via UKTI, continue to invest in providing advice to prospective exporters to Brazil, concerning how best to penetrate the Brazilian market, recognising in particular the need for companies to maintain a strong local presence, to retain adequate numbers of Portuguese-speaking staff, and to have the expertise on hand to navigate Brazilian bureaucracy and commercial law. (Paragraph 90).

30. We agree with the Committee's recommendation that the Government, via UKTI, should invest in providing advice to prospective exporters. UKTI has a large and effective team in Brazil and has recently employed 3 additional staff to provide advice and support for UK companies. All our UKTI staff are either native speakers of Portuguese, or have a minimum of Operational level ability in the language. The UKTI team in Brazil has regular discussions with UK companies and provides them with advice on the most appropriate entry strategy for the Brazilian market, including advice on establishing a local presence. In the first 5 months of 2011, UKTI assisted 1400 British companies in Brazil – the same number as in the whole of 2010. UKTI also publish the 'Brazil Business Guide', which is distributed widely to British companies interested in the Brazilian market. It covers the following areas: Researching the Market; Market Entry and Start-up Considerations; Best Practice and Risk Management; and Business Etiquette. The Guide can be accessed on the website at: http://www.ukti.gov.uk/download/107496_100496/Brazil%20Business%20Guide.pdf.html

Recommendation 11

31. We conclude that the potential inherent in a free trade agreement between the EU and Mercosur is immense. While we acknowledge the difficulties which exist in the negotiations, we urge the FCO to continue to work towards securing an agreement which will give EU firms a large advantage in a huge market. We recommend that, in its response to this Report, the FCO provide us with an update on negotiations. (Paragraph 95)

32. We welcome the Committee's positive view on the potential of an EU-Mercosur free trade agreement (FTA). The Government strongly supports an ambitious free trade agreement which would give the EU preferential access to a fast-growing and highly-protected market, and provide insurance against any future movement towards greater protectionism. Negotiations have not progressed as quickly as we had hoped, due to a combination of electoral cycles and concerns about the negative impact of the FTA on vulnerable sectors. The UK will continue to press the case for an ambitious EU-Mercosur agreement, but significant progress is unfortunately unlikely before the middle of 2012, with conclusion in 2013 at the earliest.

Recommendation 12

33. We note that some larger UK firms, notably BG Group and Rolls-Royce, have had some successes in penetrating the growing Brazilian energy market. We congratulate them on this success and hope that this is a precursor to further trade by UK firms. The role of UKTI in promoting the Brazilian energy sector as an opportunity for UK investment will be crucial. We recommend that in its response to this Report the FCO inform us of UKTI's work in Brazil, with a particular emphasis on the energy sector. (Paragraph 103).

34. UKTI, working closely with Whitehall colleagues and industry, has prioritised Brazil, and in particular its energy sector, for some years. Over this period UKTI

has undertaken a campaign in the UK and in Brazil to inform both sides about the opportunities and capabilities of the other.

35. We are pleased that BG Group is now the largest foreign investor in Brazil. Energy is a strong focus of the UKTI team at the British Consulate-General in Rio de Janeiro, which regularly engages the British energy supply chain in key energy events within Brazil such as Rio Oil & Gas and Offshore Brazil. The UK Energy in Brazil week in March 2011 represented a step change in UKTI's engagement in the market with over 40 UK companies from the oil and gas and wind energy sectors attending a bespoke event to highlight the UK capabilities. Over 200 key Brazilian energy companies attended.

36. The UK-Brazil High Level Energy Dialogue launched in early 2011 aims to generate further commercial opportunities for UK companies in the market. UKTI has identified and is pursuing opportunities for UK companies within two High Value Opportunities in Brazil, engaging with Petrobras and other key Brazilian parties as well as UK companies and representative organisations on how best to access these. The UK Energy in Brazil week will be repeated in 2012. UKTI also continues to assist Brazilian companies and organisations in scoping and engaging with the UK energy supply chain.

Recommendation 13

37. We are pleased to note SOCA's long-term presence and continuing work in Brazil. We recommend that, given Brazil's increasing importance as a drug trafficking "hub", SOCA focus more work and resources in Brazil to prevent the problem escalating further. We conclude that Brazil's active leadership role in co-ordinating a regional response is a welcome development and is further evidence of Brazil's increasing capacity to play a leadership role on international issues. We recommend that the FCO should publicly welcome and support this leadership role. (Paragraph 109).

38. The Government welcomes both the Committee's support for the Serious Organised Crime Agency (SOCA)'s work in Brazil and the role Brazil plays in supporting international efforts to combat drug trafficking. SOCA engages with its Brazilian counterparts on a wide range of law enforcement/security issues.

These include:

- Maximising operational opportunities emanating from Brazil's new border security command centre programme and building upon SOCA's existing intelligence exchange and cooperation with the Brazilian Federal Police.
- Providing equipment to allow the Brazilian authorities to profile the origins of cocaine seizures being transhipped over Brazil's borders which, in the longer term, will help with the identification of transshipment routes.
- Participation in a new UK-Brazil Security Drugs and Crime MOU, signed in October 2011, leading to better and faster information/evidence sharing, and in turn improved prosecution rates for international organised crime gangs, both in Brazil and the UK.
- Looking at how some of the success achieved elsewhere, as a result of the High Volume Operating Model interventions, might be replicated in Brazil, given the need to focus sharply the limited resources of the Brazilian Federal Police.

39. SOCA resources for work in Brazil are reviewed annually during a wider network review. We welcome Brazil's increasing regional role in tackling drugs and crime. We will seek to use upcoming opportunities in the coming months to offer our further support and encouragement.

Recommendation 14

40. We conclude that a gap remains between some of Brazil's international commitments to human rights and their implementation. We recommend that the Government take advantage of the planned series of ministerial visits to continue to raise the implementation of human rights with Brazilian ministers. During our visit we heard informally that a lack of philanthropic culture in Brazilian society means that human rights charities and

organisations are dependent on funding from the Brazilian government. We therefore recommend that the FCO should consider making a contribution to the funding of Brazilian human rights NGOs and in its reply to us update us on its work in this regard. (Paragraph 116).

41. The Government welcomes President Dilma's determination to strengthen human rights as a priority of her leadership. Ministers regularly discuss human rights with their Brazilian counterparts and the UK supports human rights project work in Brazil, mainly through EU mechanisms.

42. We welcome the Committee's recommendation concerning funding of Human Rights NGOs. Through the FCO's Human Rights and Democracy Programme, a £118,000 project implemented by the International Bar Association's Human Rights Institute (IBAHRI) entitled "Combating Torture and Other Criminal Justice Violations in Brazil" is currently being implemented in partnership with a number of Brazilian legal institutions. The project's objective is to increase the ability of the Brazilian legal profession to ensure the provision of criminal justice and treatment of prisoners according to international human rights standards. Through the European Union's Instrument for Democracy and Human Rights (EIDHR), to which the UK is a major contributor, €4.25m has been spent since 2009 in support of human rights work of national and international NGOs in Brazil in areas such as access to justice and child, indigenous and prisoner rights.

Recommendation 15

43. **We welcome Brazil's leadership role on international solutions to tackle climate change and the work of the FCO in promoting and supporting this position. We look forward to continuing close co-operation between the UK and Brazil on climate change, and hope that this forms the basis for a long-term relationship based on shared values. We recommend that the FCO continue to build and strengthen this relationship and push towards further agreements at the upcoming Rio+20 and Durban Conferences. (Paragraph 124).**

44. The Government is grateful for the Committee's positive assessment of the FCO's cooperation with Brazil to tackle climate change. As the Committee notes, Brazil plays an important role in international fora to tackle climate change. The close collaboration between the UK and Brazil in this area can be a precursor to a closer relationship on many global issues.

45. We agree that the FCO should continue to build and strengthen this relationship and push towards further agreements at the upcoming Rio+20 and Durban Conferences. We are doing so in a number of ways, including through regular policy dialogues on climate, energy and sustainable development as well as through our Prosperity programme. Projects include work to support Brazil in its domestic mitigation efforts and to ensure the success of its energy efficiency plan. Work has also started to identify potential projects that could be taken forward under the International Climate Fund.

46. The Secretary of State for Environment, Food and Rural Affairs continues to work closely with Brazilian Environment Minister Izabella Teixeira following her visit to Brazil in April 2011, where she signed agreed a UK-Brazil partnership on green growth and institutional reform towards Rio+20. The Government also continues to work closely with Brazilian counterparts to support Brazil's constructive approach in the UNFCCC negotiations.

Recommendation 16

47. The FCO's announced commitment to a stronger bilateral relationship between the UK and Brazil is much overdue and very welcome. The rise of Brazil represents a great opportunity for the UK, both as a source of a strong commercial relationship and in providing an increasingly important partner in tackling global issues. The potential commercial benefits are well known and understood, but in areas such as energy security, the environment and tackling international crime, a stronger bilateral

relationship with Brazil will also be of great benefit to the UK. (Paragraph 125).

48. The Government very much agrees with the Committee's assessment that the rise of Brazil represents an opportunity for the UK, both as a source of a strong commercial relationship and in tackling important global issues. We are increasing engagement across the board. This year we have renewed or enhanced co-operation in health, defence, energy, education, culture, science and innovation and international development, amongst others.

49. As part of the Government-wide approach to boosting relations, by the end of 2011, fourteen British Ministers will have visited Brazil on official business this year. This compares to just 3 Ministerial visits in 2010 and only 10 in the last 3 years combined. The Government has this year established new senior official level bilateral dialogues in energy, peacekeeping, counter-proliferation and international development. We have also upgraded to Ministerial level dialogues on foreign policy (to be implemented in 2012), and defence, and established a new Ministerial level dialogue on drugs and crime – the second session of which took place in London in October 2011, between Home Office Minister James Brokenshire and Justice Minister Jose Eduardo Cardozo.

50. We intend to broaden further our bilateral relationship in 2012. Given the growing importance of Brazil to global growth and security, there is a need for the UK and Brazil to co-operate much more closely on a whole spectrum of issues and we are working hard to make this happen.

Recommendation 17

51. **It will be clear from our Report that Brazil's increasing economic power and political influence is very much a "good news" story for the UK and the wider world. The overall assessment must be that Brazil is a democratic, well-governed, responsible state, unthreatening to its neighbours and with much to contribute to the international community. Nonetheless, it would have been remiss of us if we failed to deal with a number of issues which**

have the potential to undermine or deflect development of the desired stronger bilateral relationship. We hope that the UK Government will take such steps as are within its power to encourage Brazil further to improve its internal human rights record, to tackle problems of corruption, and to maintain a balanced and moderate stance on the Falkland Islands. (Paragraph 126).

52. The Government agrees with the Committee's assessment of Brazil as a "good news" story for the UK. We also concur with the assessment that Brazil has a number of challenging domestic problems to face, and the potential to negatively impact the bilateral relationship in some areas.

53. The Government agrees it must take steps within its power to reduce corruption in Brazil. We also welcome Brazil's own desire to tackle corruption, which has been demonstrated at the highest level. The UK is already active in supporting anti-corruption activities and advocating that other countries, including Brazil, raise its standards and hold its citizens and companies to account. The UK is working with multilateral organisations including the G20, the United Nations and the Organisation for Economic Cooperation and Development (OECD) to combat corruption. The UK's International Anti-Corruption Champion supports the work of multilateral organisations and encourages standards to be raised overseas, most recently by overseeing the successful implementation of the Bribery Act 2010.

54. Brazil has signed and ratified both the United Nations Convention Against Corruption (UNCAC) and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Bribery Convention). Their respective working groups use the peer review processes to monitor compliance with international instruments to drive up standards, share best practice and monitor the enforcement of corruption offences. The UK will shortly take over the role of co-chair of the G20 Anti-corruption Working Group, which represents a good opportunity to ensure outstanding recommendations from the G20 Anti-Corruption Action Plan are implemented. Brazil is active within

the G20 Anti-Corruption Working Group and has driven forward the public sector transparency and accountability agenda within the Action Plan.

55. The UK has identified Brazil as a priority country for increasing bilateral anti-corruption co-operation. In particular, the UK is considering ways to tackle bribe solicitation and promote enforcement amongst our business competitors, in order to level the playing field for UK business whilst also minimising the damage caused by domestic corruption. The UK has previously worked on a £270,000 project in partnership with the Brazilian government to improve the efficiency of the Brazilian public sector and to increase transparency.

56. Although Brazil has ratified most major international human rights conventions, has forward-looking domestic human rights legislation enshrined within its constitution and a Human Rights National Plan (running 2010-15) in place, concerns remain about its internal human rights record. The Brazilian Government itself recognises that there is still progress to be made on a number of difficult domestic human rights issues, including violence and discrimination against vulnerable groups (including women, LGBT groups, Afro-Brazilians, the Indigenous and prisoners), police violence (including extrajudicial killings and torture), and human trafficking. We will continue to support the Brazilian government's own efforts to improve the domestic human rights situation and raise human rights issues of concern in our interactions with the Brazilian government, where appropriate.

Recommendation 18

57. A closer bilateral relationship between the UK and Brazil can only be achieved over the medium term through sustained pressure and effort. The UK's present strategy towards Brazil is encouraging; we urge the Government not to allow momentum to be dissipated or its attention to be distracted by more dramatic developments elsewhere in the world. We will continue to monitor developments throughout the current Parliament. (Paragraph 127)

58. Strengthening relations with the Emerging Powers, including Brazil, is a foreign policy priority for this Government. Doing so is essential for the UK's continued prosperity and security as the balance of power in the world shifts. A closer bilateral relationship with Brazil is therefore a long-term objective of this Government. This long-term objective will not be affected by developments elsewhere in the world.

59. The Government also believes a stronger bilateral relationship with the UK is also very much in Brazil's interests. As Brazil develops, opportunities for mutual exchange and cooperation grow. Brazil's needs are increasingly aligned with areas in which the UK excels, such as education, science and innovation, creative industries and financial services. Our rapid response to Brazil's prioritisation of UK universities under the Science without Borders programme demonstrates the importance we attach to broadening our relationship with Brazil. The Government believes there is much more to be done to forge closer relations with Brazil across the board, boost trading links and further dialogue and co-operation on global issues. We have made a good start in reinvigorating ties in 2011, with much more to come in 2012 and beyond. The Government welcomes the Committee's ongoing interest in the relationship.



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