

## The Challenge

Brazil has the second largest economy in Latin America. However, it is also home to over 50 million poor, the second highest number of AIDS cases in the hemisphere, over 10 million residents without access to reliable energy, and Brazil's income distribution continues to be among the world's worst. These and other factors result in under-utilization of productive capacity and exclusion of a large portion of the population from the economic and social mainstream, which in turn, threaten stability and democratic institutions.

USAID/Brazil is preserving natural ecosystems, promoting sustainable forest management, and mitigating climate change; promoting clean, alternative energy technologies; reducing the transmission of HIV/AIDS and tuberculosis; reducing crime and improving social and economic inclusion through at-risk youth employability initiatives; combating trafficking in persons while assisting victims; and promoting trade-led small business growth and employment.

## Objectives, Sectors and Workforce

Mission Director: Richard Goughnor

MCA Status: Currently Not Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Received

### Program Budget (Appropriations by Objective)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07	2005 SO Performance Score	Direct SO Admin. Cost Ratio
512-007 Communicable Diseases Program	8,140	7,750	2,178	5,985	-26.5%	0.77	Not Met
512-008 Environment Program	6,275	1,073	6,027	5,330	-15.1%	0.78	Not Met
512-009 Energy Program	1,375	1,190	990	900	-34.5%	1.50	Exceeded
512-010 At-Risk Youth and Trafficking in Persons Program	1,300	1,330	891	0	N/A	1.20	Exceeded
512-011 MSE Growth, Trade, and Poverty Reduction	1,943	846	990	1,770	-8.9%	1.20	Exceeded
<b>Country Total</b>	<b>19,033</b>	<b>12,189</b>	<b>11,076</b>	<b>13,985</b>	<b>-26.5%</b>		

### Program Budget (Appropriations by Account)

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Child Survival and Health Programs Fund	9,140	8,710	3,069	5,985	-34.5%
Development Assistance	9,143	3,479	8,007	8,000	-12.5%
Economic Support Fund	750	0	0	0	N/A
<b>Total</b>	<b>19,033</b>	<b>12,189</b>	<b>11,076</b>	<b>13,985</b>	<b>-26.5%</b>

### Program Budget by Sector and Account

	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Agriculture and Environment DA	7,650	2,263	7,017	6,230	-18.6%
Economic Growth DA	1,193	846	990	1,770	48.4%
ESF	750	0	0	0	N/A
Human Rights DA	300	370	0	0	N/A
HIV / AIDS CSH	6,050	5,744	0	3,785	-37.4%
Vulnerable Children CSH	1,000	960	891	0	N/A
Other Infectious Diseases CSH	2,090	2,006	2,178	2,200	5.3%
<b>Total</b>	<b>19,033</b>	<b>12,189</b>	<b>11,076</b>	<b>13,985</b>	<b>-26.5%</b>

### Workforce

	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	3	3	4	4	33.3%
US Non Direct Hires	1	2	1	1	0.0%
Foreign Nationals	17	20	21	21	23.5%
<b>Total</b>	<b>21</b>	<b>25</b>	<b>26</b>	<b>26</b>	<b>23.8%</b>

<b>Operating Expense</b>	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	406	495	536	536	32.0%
Travel	170	185	68	68	-60.0%
Transportation of things	0	5	29	29	N/A
Rent	64	74	52	52	-18.8%
Security	0	0	0	0	N/A
Equipment	69	49	10	10	-85.5%
ICASS - Operating Expense only	165	209	222	222	34.5%
Other Operating Expense	150	156	74	74	-50.7%
<b>Total OE Budget</b>	<b>1,024</b>	<b>1,173</b>	<b>991</b>	<b>991</b>	<b>-3.2%</b>
US direct hire salary and benefits	443	466	401	445	0.5%
Program Funded Administrative Expenses				1,203	
<b>Country Total Administrative Budget</b>				2,639	
<b>Percent of Bureau OE Total</b>				2.4%	

<b>Mission Summary</b>	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	6,344	4,063	2,769	3,496
Program per All US (\$000)	4,758	2,438	2,215	2,797
Program per Position (\$000)	906	488	426	538
Operating Expense as % of Program Funding				7.1%
Program Funded Admin Expense as % of Total Admin				45.6%
Total Admin Expense as % of Program Funding				18.9%

**Other Major Donors:**

Bilateral: Germany, Spain, Italy, Japan, France, Great Britain, the Netherlands, Canada

Multilateral: World Bank, Inter-American Development Bank, European Union, United Nations agencies, International Labor Organization, World Trade Organization

**Brazil**  
**PROGRAM SUMMARY**

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	9,140	8,710	3,069	5,985
Development Assistance	9,143	3,479	8,007	8,000
Economic Support Fund	750	0	0	0
<b>Total Program Funds</b>	<b>19,033</b>	<b>12,189</b>	<b>11,076</b>	<b>13,985</b>

**STRATEGIC OBJECTIVE SUMMARY**

512-007 Communicable Diseases Program				
CSH	8,140	7,750	2,178	5,985
512-008 Environment Program				
DA	6,275	1,073	6,027	5,330
512-009 Energy Program				
DA	1,375	1,190	990	900
512-010 At-Risk Youth and Trafficking in Persons Program				
CSH	1,000	960	891	0
DA	300	370	0	0
512-011 MSE Growth, Trade, and Poverty Reduction				
DA	1,193	846	990	1,770
ESF	750	0	0	0

Mission Director,  
Richard Goughnor

## Data Sheet

<b>USAID Mission:</b>	Brazil
<b>Program Title:</b>	Communicable Diseases Program
<b>Pillar:</b>	Global Health
<b>Strategic Objective:</b>	512-007
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$2,178,000 CSH
<b>Prior Year Unobligated:</b>	\$5,345,000 CSH
<b>Proposed FY 2007 Obligation:</b>	\$5,985,000 CSH
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** The USAID's health program is working to strengthen local capacity to reduce the transmission of selected communicable diseases, particularly among high-risk populations, with emphasis on HIV/AIDS prevention and the detection and control of tuberculosis (TB). USAID activities are carried out in close collaboration with the Ministry of Health (MOH), focused on four main areas: 1) strengthening NGO outreach capacity to provide services to vulnerable and high-risk populations; 2) expanding condom social marketing and behavior change communications; 3) improving epidemiological surveillance and research; and 4) strengthening Government of Brazil (GOB) capacity to implement the World Health Organization (WHO)-recommended Directly Observed Therapy Short-Course (DOTS) strategy for TB prevention, identification and treatment.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Prevent and Control Infectious Diseases Of Major Importance (\$2,178,000 CSH). USAID continues to promote the successful WHO-recommended TB control strategy in Brazil, by working with municipal and state governments in target areas that are responsible for more than 40% of Brazil's TB burden (nearly 40,000 cases per year). The program also enhances the corresponding management and quality control system to ensure a continuous supply of high quality anti-TB drugs. The Mission aims to complete the National TB-Drug Resistance and TB/HIV-AIDS Co-Morbidity Study. Activities include providing TB training to healthcare providers at the state and local levels as well as training in data collection and information management. Also, activities include operational research, social mobilization, and programs for DOTS. Principal implementers: Municipal and State Health Secretariats, the Pan-American Health Organization, Management Sciences for Health, Centers for Disease Control, and the Brazilian Family Welfare Society.

Reduce Transmission and Impact Of HIV/AIDS (5,345,000 FY 2005 CSH Carryover). Although there have been delays in the implementation of the HIV/AIDS activities, USAID anticipates implementing activities that provides assistance to support: strengthening vulnerable groups and outreach programs in targeted municipal government health departments; HIV surveillance for selected populations; strengthening the capacity of new nontraditional partners to implement ABC (Abstinence, Be faithful, and use Condoms) activities with AIDS in the workplace programs; and assistance to AIDS orphans and appropriate AIDS prevention guidance to vulnerable young adults. Principal implementers: Private Agencies Collaborating Together (PACT), state and municipal health secretariats, and non-traditional partners.

#### **FY 2007 Program:**

Prevent and Control Infectious Diseases of Major Importance (\$2,200,000 CSH). USAID will continue to support DOTS in Brazil at the municipal and state levels in high-prevalence areas. The program will support a management and quality control system to ensure continuous supply of high quality anti-TB drugs. Operation's research funding will be used to test and evaluate which

methodologies are best for implementing the National TB Program and a national TB/HIV-AIDS treatment protocol. Activities at all state and municipal sites will include the continuation of TB training for healthcare professionals, data collection and information management training, operational research and social mobilization. While the principal program beneficiaries will continue to be the São Paulo and Rio de Janeiro Municipal and State Health Secretariats, the activities will be expanded to include other Health Secretariats in critical TB locations. Principal implementers: Pan-American Health Organization (PAHO), Management Sciences for Health, Centers for Disease Control (CDC), and the Brazilian Family Welfare Society.

Reduce Transmission and Impact of HIV/AIDS (\$3,785,000 CSH). USAID funds will be used to continue the support of FY 2005 funded activities. These activities may include: 1) assistance to targeted municipal government health departments to strengthening vulnerable group outreach programs; 2) HIV surveillance for selected populations; 3) strengthening the capacity of new non-traditional partners to implement ABC activities with AIDS in the workplace programs; 4) assistance to AIDS orphans and appropriate AIDS prevention guidance to vulnerable young adults. Principal implementers: Private Agencies Collaborating Together (PACT), state and municipal health secretariats, and non-traditional partners.

**Performance and Results:** The USAID Health Program experienced a number of programmatic successes and challenges this past year that impacted significantly upon performance. USAID funded TB activities carried out in close collaboration with the MOH were successful, with more than 25,000 health professionals trained, including laboratory technicians, TB program managers, physician TB specialists and community workers. The results can be seen in the growing nationwide acceptance of DOTS and the change in TB detection rates in healthcare services, which increased from 23% in 2003 to 53% in 2004. Working in partnership with PAHO and CDC, USAID has made significant strides in implementing fully DOTS in 2005. USAID's health program has helped Brazil to develop a TB proposal supported by the Global Fund for AIDS, Tuberculosis and Malaria. These developments reflect GOB commitment to DOTS for the next 5 years.

In HIV/AIDS, USAID is contributing to prevention projects developed by Brazilian NGOs, by strengthening their technical and project management skills, promoting behavior change by producing and airing communication campaigns, and promoting condom social marketing initiatives. Activities focus on the South and Southeastern regions of Brazil, targeting the most vulnerable populations to HIV infection. An estimated 395,000 people from the highest risk groups were reached with prevention messages, with over 1.2 million condoms distributed. The social marketing component mobilized NGOs, the government, and commercial organizations to ensure that the HIV/AIDS prevention needs of vulnerable populations are effectively met in a sustainable and self-sufficient manner.

Through this program USAID will help reduce new HIV infections among selected populations. In combating TB, USAID anticipates the following will be achieved: 75% coverage, 85% cure rate, and a 70% case detection rate in USAID target areas. DOTS completion rates are expected to increase from 40% to 85%.

## US Financing in Thousands of Dollars

Brazil

512-007 Communicable Diseases Program	<b>CSH</b>
<b>Through September 30, 2004</b>	
Obligations	17,661
Expenditures	2,695
Unliquidated	14,966
<b>Fiscal Year 2005</b>	
Obligations	2,121
Expenditures	10,933
<b>Through September 30, 2005</b>	
Obligations	19,782
Expenditures	13,628
Unliquidated	6,154
<b>Prior Year Unobligated Funds</b>	
Obligations	5,345
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	2,178
<b>Total Planned Fiscal Year 2006</b>	
Obligations	7,523
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	5,985
Future Obligations	16,466
Est. Total Cost	49,756

## Data Sheet

<b>USAID Mission:</b>	Brazil
<b>Program Title:</b>	Environment Program
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	512-008
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$6,027,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$5,330,000 DA
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** The USAID environment program seeks to increase environmentally sustainable benefits and economic opportunities to poor forest and river dwellers, reduce the rate of Amazon Rainforest deforestation, assist indigenous populations to protect their traditional lands from environmental degradation and, in general, shape the environmental impact of future land-use trends over large geographic areas of the Amazon while continuing to address global concerns of biodiversity conservation and climate change mitigation.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Sustainable Management of Natural Resources and Biodiversity (\$6,027,000 DA). USAID provides technical assistance and training to improve the efficiency and increase the adoption of sustainable forest management and harvesting practices at the community and industrial levels by applying management models appropriate for different locations and conditions. In FY 2006, the area under sound forest management in the Amazon is reaching some 1.4 million hectares (Ha), of which 30,000 Ha will be under certified community forest management involving a total of six communities. To expand sustainable forest management, USAID trains nearly 3,000 forest management professionals, and also some 13,000 people who are directly involved in the design and implementation of improved management systems. An additional 1,425 professionals are receiving training in biodiversity conservation and management.

The development of markets for environmental goods and services provide tangible economic benefits to poor communities. USAID's support of these markets will increase the volume and equitability of transactions in sustainably produced timber and non-timber forest products (from \$314,000 in 2004 to \$1.3 million in 2006). Programs will also improve trade relations between rural producers and urban consumers and strengthen community based ecotourism networks.

USAID strengthens the independent monitoring of deforestation by supporting the improvement of tools for monitoring landscape change. Critical areas for planned expansion of the timber industry are being identified, mapped, and presented to state and federal authorities to facilitate proper forest planning and management. Preparation for landscape management includes workshops in participatory environmental planning and regional development along major highway corridors in the Amazon.

Finally, USAID continues to work directly with representative indigenous groups to develop self-managed territorial monitoring and protection systems, aimed at securing indigenous territorial integrity in compliance with environmental legislation, with a special focus on the Xingú - Kayapó complex of indigenous lands (13.6 million hectares of officially protected areas).

Principal implementers: World Wide Fund for Nature- WWF/Brazil, International Institute of

Education of Brazil-IEB, the Institute of Environmental Research of Amazonia-IPAM), Conservation International-CI, and the Amazon Conservation Team-ACT.

**FY 2007 Program:**

Improve Sustainable Management Of Natural Resources and Biodiversity (\$5,330,000 DA). USAID will continue to provide technical assistance and training to increase the adoption of, and widely disseminate knowledge and information about, sustainable forest management practices. This will include evaluating the potential for multiple use forest management. USAID support to increase the adoption of sustainable forest management and harvesting practices at the community and industrial levels in the Amazon will cover a total area of nearly two million hectares, of which 41,000 Ha will be under certified community forest management. In conjunction with these activities, USAID will fund instruction of 4,000 forest management professionals, and also train 2,550 people who will have direct involvement in the design and implementation of improved management systems. An additional 1,128 professionals will receive training in biodiversity conservation and management.

USAID will promote activities for land-use planning in forested landscapes which will encourage sustainable settlements with secure land tenure, certified production chain processes, and participatory monitoring of landscape change. By the end of FY 2007, USAID partners will have implemented participatory regional planning for conservation and sustainable use of natural resources in an area of over 372,000 square kilometers in the Amazon, resulting in integrated landscape mosaics that sustain environmental and socioeconomic benefits for rural populations.

Poor communities in the Amazon will gain tangible economic benefits from USAID's support to the development of markets for environmental goods and services, through an increase in the volume and equitability of transactions in sustainably produced timber and non-timber forest products (from \$1.3 million in 2006 to \$1.4 million in 2007), improved trade relations between rural producers and urban consumers, as well as strengthened community based ecotourism networks.

Principal implementers: World Wide Fund for Nature- WWF/Brazil, International Institute of Education of Brazil-IEB, and the Institute of Environmental Research of Amazonia-IPAM.

**Performance and Results:** In FY 05, USAID continued to demonstrate progress toward halting deforestation and environmental degradation of Amazonian and Atlantic rainforests. An area of some 103,242 km<sup>2</sup> of natural forest ecosystems has been sustained in healthy, productive landscapes by encouraging the adoption of sound forest management practices. Social and environmental benefits have also been extended to poor rural populations in Amazonia through support for the development of markets for environmental goods and services. These markets provide tangible economic benefits as witnessed by a 40% rise in the volume of equitable transactions in sustainably produced timber and non-timber forest products from \$314,000 in 2004 to \$419,000 in 2005. The program also enabled the training of 15,303 people in the scaling-up of lessons learned in both forest conservation and sustainable use at a regional level.

In line with the Presidential Initiative Against Illegal Logging (PIAIL), the Government of Brazil (GOB) has committed to combating deforestation, burning and illicit practices in the timber sector. Early 2004-2005 estimates indicate that Amazon deforestation has dropped 30% from last year's near-record high of 27,200km<sup>2</sup>. In addition to reduced forest conversion due to low commodity prices and the weak dollar, much of this reduction is credited to increased enforcement of environmental laws. Also in June 2005, the Brazilian Congress passed new legislation defining rules for forest concessions, which is providing a more orderly alternative to current logging operations that frequently occur illicitly on public lands. In addition, USAID is working directly with indigenous populations to assist them in protecting their cultures, native lands and natural ecosystems.



## US Financing in Thousands of Dollars

Brazil

512-008 Environment Program	<b>DA</b>
<b>Through September 30, 2004</b>	
Obligations	12,758
Expenditures	3,137
Unliquidated	9,621
<b>Fiscal Year 2005</b>	
Obligations	5,763
Expenditures	10,170
<b>Through September 30, 2005</b>	
Obligations	18,521
Expenditures	13,307
Unliquidated	5,214
<b>Prior Year Unobligated Funds</b>	
Obligations	0
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	6,027
<b>Total Planned Fiscal Year 2006</b>	
Obligations	6,027
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	5,330
Future Obligations	6,188
Est. Total Cost	36,066

## Data Sheet

<b>USAID Mission:</b>	Brazil
<b>Program Title:</b>	Energy Program
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	512-009
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$990,000 DA
<b>Prior Year Unobligated:</b>	\$30,000 DA
<b>Proposed FY 2007 Obligation:</b>	\$900,000 DA
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** The USAID/Brazil energy program seeks to stimulate economic growth, reduce poverty and address global climate change and other adverse environmental impacts through the delivery of renewable energy and energy efficiency services. The program includes technical assistance, training and pilot activities designed to promote public policies and regulations supportive of renewable energy and energy efficiency; demonstrate the feasibility and effectiveness of renewable (alternative) energy technologies; increase awareness of renewable energy and energy efficiency options; develop income-generating renewable energy-based activities; and promote technological cooperation utilizing renewable energy technologies between the United States and Brazil.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Expand and Improve Access To Economic and Social Infrastructure (\$580,000 DA; \$30,000 FY 2005 Carryover DA). USAID is helping the Government of Brazil (GOB) to provide an estimated 12 million Brazilians, who currently lack access to the national power grid, reliable power sources which provides quality-of-life improvements and economic opportunities. The FY 2006 energy program activities include the development of distributed generation demonstration projects (mini-grid systems) which extend affordable energy to remote communities. Also included are community-based energy management models that facilitate the construction and maintenance of mini-power grids. USAID is training approximately 50 technicians in system's operation, maintenance and management of mini-power grids. These grids hold the potential for extending the benefits of electricity to an estimated 400,000 people, the majority of which are living in relative poverty.

Reduce, Prevent and Mitigate Pollution (\$410,000 DA). USAID is helping address the needs of local residents in the communities where the energy program is operating by designing and implementing income-generating activities that draw upon alternative and renewable energy technologies. Working in partnership with the Ministry of Mines and Energy (MME) and the United Nations Development Program (UNDP), USAID's energy activities will be implemented in rural and peri-urban areas where five community-based income generation projects are being implemented. This activity will directly impact an estimated 4,000 people by increasing family income and quality-of-life standards. These activities are being carried out in accordance with the USAID Global Village Partnership Action Plan (GVP) for Brazil. USAID is expanding an existing program that provides renewable energy vocational training to disadvantaged youth in Brazil's poor northeastern region. Youth from families with income levels of less than \$100 per month are being trained as electricians, with a specialty in alternative energy technologies. It is anticipated that after training, 50% of these trainees will secure jobs in the private sector. Principal implementers: Social Development and Renewable Energy Institute - IDER, UNDP, and local and U.S.-based NGO sub-recipients.

**FY 2007 Program:**

Expand and Improve Access to Economic and Social Infrastructure (\$500,000 DA). USAID plans to continue developing and implementing pilot distributed generation models and income-generating activities based on alternative energy technologies, thereby consolidating GVP principles within the

Brazilian national program, Light for All. The MME is committed to replicating these rural electrification solutions and passing regulatory reforms to make them official national policy.

USAID plans to design and install mini-distribution grids and alternative generation systems in partnership with local utilities. As the MME adopts these models under the Light for All program, the benefits are expected to reach an additional two million people. In order to maintain a pool of capable local technicians, an additional 50 people will be trained in mini-power grid operation, maintenance and management. USAID expects that income-generating activities, based on alternative energy, will directly benefit more than 50,000 people in 2007, and hundreds of thousand more in conjunction with the Light for All program. The renewable energy-based vocational training initiative will train disadvantaged youth and assist them in securing viable employment in three Brazilian states. Principal implementers: IDER and local and U.S.-based NGO sub-recipients.

Reduce, Prevent and Mitigate Pollution (\$400,000 DA). USAID will continue to provide technical assistance and training to improve renewable energy policies and the corresponding regulatory environment. Partnerships formed with Eletrobras, Petrobras, national programs and electrical utility companies are expected to lead to broader replication and use of energy efficiency concepts and methods, helping the GOB to achieve its goal of saving 130 (Tera Watt hour) by 2015, which is equivalent to the output of a new power plant. USAID will continue to support the Brazilian Renewable Energy NGO Network (RENOVE) and the Ministry of Mines and Energy in its efforts to modify regulations so that the necessary changes and improvements in policy in the areas of fossil fuels substitution, energy efficiency standards and advanced use of alternative sources of energy (wind, solar, biofuels and small hydro) are put in place. USAID will also continue to host roundtables and workshops that promote cooperation between U.S. and Brazilian firms working in the areas of renewable and alternative energy, and energy efficiency. Principal implementers: IDER, ICF Consulting, and local and United States-based NGO sub-recipients.

Additionally, in 2007 the Mission will be studying the possibility of merging energy-related Global Climate Change (GCC) activities and efforts to develop environmentally-sustainable economic opportunities for poor rural and forest dwellers into the Environment program. This would result in closer alignment of resources and maximization of impact.

**Performance and Results:** USAID has made important contributions to the success of the GOB in extending access to modern, clean and reliable energy services to previously excluded populations. In FY 2004, an additional 1,375,000 people were connected to the national power grid under the Brazilian program, Light for All. Of this total, 65,000 people gained access to modern renewable energy-based services as a direct result of USAID interventions. Another 70,000 Brazilians benefited from information dissemination, capacity building and energy service projects. USAID-developed income generation activities utilizing clean, renewable alternative energy sources increased the incomes of 7,800 people. Additionally, the GOB has committed to replicating distributed generation renewable energy-based models developed by USAID in order to extend electricity to remote communities through the Light for All Program. USAID assistance has also resulted in the construction of the "Apertadinho" small hydro power plant (30 mega watt) and two other similar facilities (20 mega watt each) in the Amazon Region; these facilities can supply energy to roughly 55,000 people. When completed, they will generate 7,750 short and long-term jobs, and avoid 1,500,000 tCO<sub>2</sub> carbon emissions over a ten year period. Finally, the energy program increased technological cooperation between Brazil and the United States by sponsoring a ten-person hydrogen delegation visit from the MME to the United States, and by

facilitating a successful joint venture between a major American wind turbine manufacturer and private Brazilian investors. These results confirm that the program is reaching its goal of reducing the number of Brazilians without access to adequate energy by 30%. By the end of the program, USAID will also have helped leverage \$55 million for the development of renewable energy and energy efficiency projects, resulting in a 50% increase in Brazil's installed renewable energy generation capacity.

## US Financing in Thousands of Dollars

Brazil

512-009 Energy Program	DA
<b>Through September 30, 2004</b>	
Obligations	2,693
Expenditures	895
Unliquidated	1,798
<b>Fiscal Year 2005</b>	
Obligations	1,510
Expenditures	1,828
<b>Through September 30, 2005</b>	
Obligations	4,203
Expenditures	2,723
Unliquidated	1,480
<b>Prior Year Unobligated Funds</b>	
Obligations	30
<b>Planned Fiscal Year 2006 NOA</b>	
Obligations	990
<b>Total Planned Fiscal Year 2006</b>	
Obligations	1,020
<b>Proposed Fiscal Year 2007 NOA</b>	
Obligations	900
Future Obligations	2,317
Est. Total Cost	8,440

## Data Sheet

<b>USAID Mission:</b>	Brazil
<b>Program Title:</b>	At-Risk Youth and Trafficking in Persons Program
<b>Pillar:</b>	Democracy, Conflict and Humanitarian Assistance
<b>Strategic Objective:</b>	512-010
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$891,000 CSH
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$0
<b>Year of Initial Obligation:</b>	2003
<b>Estimated Year of Final Obligation:</b>	2008

**Summary:** Of the estimated 53 million Brazilians living in poverty, over 50% are young people between the ages of 14 and 24. Faced with an education system where poor communities find themselves with under-qualified teachers and woefully inadequate resources, and unemployment rates reaching as high as 43% in some regions, poor Brazilian youths are at a distinct disadvantage in developing the skills needed to secure meaningful employment. In the absence of viable economic opportunities, many adolescents turn to gangs, drugs, crime and violence, with large numbers falling prey to trafficking in persons (TIP) networks that target disadvantaged youth for sexual exploitation or forced labor purposes.

The USAID At-Risk Youth program is working to provide disadvantaged youth with the technical and life-skills needed to find decent jobs and become contributing members of society. Specialized training in the tourism industry and digital inclusion, combined with private sector-assisted mentoring programs, internships, and job placement services have proven highly successful in addressing the specialized needs of Brazil's under-served youth. USAID is strengthening local capacity to provide these services, while developing innovative methodologies and models that are being widely disseminated and replicated by others, ensuring sustainability and nation-wide impact. The USAID program is also assisting the Government of Brazil (GOB) and civil society to combat TIP by providing law enforcement and judicial officials with training and support needed to deal with the perpetrators of TIP crimes and developing an effective shelter system and emergency health care and support services for TIP victims.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Quality of Workforce Through Vocational/Technical Education (\$891,000 CSH). USAID will expand the number of at-risk youth trained from 2,026 to 4,356 with emphasis on information technology (IT) and the tourism industry. The geographic target area for tourism-based training is expanding from two sites to ten in northeastern, central and southwestern Brazil. Training modules include food, travel and tourism services as well as hotel management. Private sector partners are providing youth with mentors, training, internships and viable employment opportunities. Training is continuing in the areas of audio-visual production, electrical services with an emphasis on renewable energy technologies, masonry, construction, historical artifacts, and site restoration. USAID also supports the GOB in the development of policies and programs designed to offer licit income-generating alternatives to highly vulnerable groups, including victims of TIP and sexual exploitation, youth convicted of minor crimes, and persons with disabilities. Principal Implementers: American Institutes for Research and Counterpart International.

Reduce Trafficking In Persons: USAID assists the GOB in the development and deployment of TIP victim assistance programs and methodologies. This program is carried out in all 27 Brazilian

states, with priority given to capital cities and 70 target municipalities that have a highest concentration of TIP cases. USAID and its partners are training 27 state-level core teams that are responsible for providing shelter, health care, psychological, and social services to TIP victims. Additionally, USAID is working with the GOB to integrate a TIP case-notification system at the federal, state, and municipal level that will allow the government to collect reliable data on cases of trafficking, sexual exploitation, and violence against minors. Lessons learned over the past three years under the USAID anti-trafficking program is being documented and used as a basis for implementation of activities under the Presidential TIP Initiative during the 2006-2008 period. Principal implementers: Partners of the Americas and the International Labor Organization.

**FY 2007 Program:**

**Improve Quality of Workforce Through Vocational/Technical Education:** In order to allow for closer alignment of resources and strategic focus, in 2007 USAID plans to transfer workforce training activities to the Small and Micro Enterprise Trade-led Growth program.

**Reduce Trafficking In Persons:** USAID would complement ongoing activities under the FY2005 Presidential TIP Initiative by adding a component to offer licit income-generating alternatives for victims of TIP and sexual exploitation. USAID would identify high demand jobs and design related training and internship programs that meet the special needs of TIP victims and have the potential to generate appropriate levels of licit income. Additionally, USAID plans to provide technical assistance to the GOB in order to expand health, social and psychological support methodologies beyond the 97 municipalities targeted in FY 2006. The GOB plans to disseminate this methodology to 930 municipalities by the end of calendar year 2008. Principal Implementers: This will be determined through a competitive process.

**Performance and Results:** In 2005, USAID provided over 2,000 at-risk youth with state-of-the-art information technology and tourism industry training, among other areas. Of this number, over 800 participants secured paid internships and formal jobs in over 170 USAID private sector partners. With the help of the GOB, the International Development Bank, and the International Youth Foundation, USAID expanded IT and tourism-based training from the current two to 12 sites. The GOB has requested USAID assistance to design employment policies and programs targeting highly vulnerable populations, including victims of TIP and sexual exploitation, juvenile offenders sentenced to community services, youth involved in gangs and violence, and people with disabilities.

Also in 2005, USAID provided assistance to 317 TIP victims, bringing the cumulative total to over 1,000 since 2004. In addition, USAID provided technical assistance to the GOB in the design and implementation of TIP victim assistance pilot programs and methodologies in critical geographic areas. Initially tested in six municipalities, this USAID-developed methodology has now been expanded to an additional 24 cities with GOB and Organization of American States (OAS) funds. With FY 2005 Presidential TIP Initiative funds USAID will implement activities to increase law enforcement and prosecution rates of TIP and sexual exploitation. This training is being carried out during calendar year 2006 in parallel with USAID-led efforts to strengthen victim shelter networks and develop methodologies for providing victims with much-needed medical and social services.

At the end of this activity, USAID expects to have reduced unemployment rates for assisted youth by 30% and to have strengthened GOB capacity to design, implement, and monitor "first employment" programs throughout the country. By 2008, the number of youth trained is expected to reach 6,400 and, more importantly, lead to national replication of the related USAID-developed methodologies.

## US Financing in Thousands of Dollars

Brazil

512-010 At-Risk Youth and Trafficking in Persons Program	CSH	DA	ESF
<b>Through September 30, 2004</b>			
Obligations	2,100	658	0
Expenditures	647	37	0
Unliquidated	1,453	621	0
<b>Fiscal Year 2005</b>			
Obligations	960	470	6,162
Expenditures	1,735	566	20
<b>Through September 30, 2005</b>			
Obligations	3,060	1,128	6,162
Expenditures	2,382	603	20
Unliquidated	678	525	6,142
<b>Prior Year Unobligated Funds</b>			
Obligations	0	0	0
<b>Planned Fiscal Year 2006 NOA</b>			
Obligations	891	0	0
<b>Total Planned Fiscal Year 2006</b>			
Obligations	891	0	0
<b>Proposed Fiscal Year 2007 NOA</b>			
Obligations	0	0	0
Future Obligations	2,749	1,677	0
Est. Total Cost	6,700	2,805	6,162



## Data Sheet

<b>USAID Mission:</b>	Brazil
<b>Program Title:</b>	MSE Growth, Trade, and Poverty Reduction
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	512-011
<b>Status:</b>	Continuing
<b>Planned FY 2006 Obligation:</b>	\$990,000 DA
<b>Prior Year Unobligated:</b>	\$0
<b>Proposed FY 2007 Obligation:</b>	\$1,770,000 DA
<b>Year of Initial Obligation:</b>	2004
<b>Estimated Year of Final Obligation:</b>	2006

**Summary:** USAID's "Increased Economic Opportunities for Trade Led Small and Micro Enterprise Growth and Poverty Reduction" program promotes hemispheric free trade in the context of the Free Trade Area of the Americas (FTAA) and Doha round negotiations. The program focuses on: assisting micro and small businesses to participate in the global economy; investigating constraints to small business trade and promoting policy reforms conducive to trade-led growth; promoting public understanding and awareness of the benefits of trade; and providing technical and life skill training to vulnerable young adults in order to increase their chances of viable employment in the formal sector.

### **Inputs, Outputs, Activities:**

#### **FY 2006 Program:**

Improve Economic Policy and the Business Environment (\$190,000 DA). USAID is working with the Brazilian Confederation of Industries, the Brazilian Small Business Agency (SEBRAE), and the Brazilian Export Promotion Agency to prioritize and address the most critical constraints to increased small business participation and competitiveness in international trade. USAID supports policy reform allowing small industries to develop trade-focused consortia, thereby lowering their administrative costs and increasing competitiveness. USAID works with the GOB and the World Bank to survey further barriers to small business development, complementing findings from USAID's efforts to assist selected small enterprises. To create momentum for trade reform, USAID is disseminating survey results at workshops in several northeastern states targeting influential decision-makers. Survey results are expected to be considered by the Brazilian Congress as it finalizes and approves the draft Small Business Development Act which includes a number of trade components. Principal Implementers: Development Alternatives, Inc. and the Foreign Investment Advisory Service.

Increase Trade and Investment (\$800,000 DA). USAID continues to emphasize the importance of increased small enterprise participation in two-way trade as a means to foster more equitable economic growth. In FY 2006, USAID provides technical assistance to selected small producer clusters (swimwear, cashew nuts, honey, and palm berry fruit) to identify competitive advantages and niche markets, improve product quality, and enhance packaging and wholesale representation. USAID is improving access to trade finance by small enterprises in partnership with the Bank of Brazil and the Brazilian Bank for Social and Economic Development by implementing a pilot small producer trade credit mechanism. The experience gained by working with these clusters is resulting in a "road map" that will help thousands of Brazilian small enterprises to address the challenges inherent in entering export markets. The road map is being disseminated by national small business and export promotion institutions, while efforts to further identify and address constraints to more extensive and equitable access to trade opportunities will continue. Finally, in preparation for the start-up of a new at-risk workforce training activity for young adults in 2007, USAID is conducting a feasibility study and assess the actual potential for employment generation in trade-related areas, including accounting, logistics, shipping, finance,

trade information technology, sales and marketing. Principal Implementer: Development Alternatives, Inc.

**FY 2007 Program:**

Improve Economic Policy and the Business Environment: (100,000 DA). USAID plans to improve the enabling environment and strengthen local support capacity so that small enterprises benefit from free trade agreements including the FTAA and those derived from the Doha round negotiations. USAID will work alongside federal and state governments and the private sector to identify and remove trade barriers for small enterprises. As an example, USAID may work to simplify regulations and reduce other bureaucratic barriers for small business.

Improve Quality of Workforce through Vocational/Technical Education: (\$900,000 DA). Workforce training activities previously developed under USAID's Disadvantaged Youth Program will be adapted to this strategic objective in 2007, with the objective of ensuring workforce preparedness, primarily for micro and small businesses. In order to increase access to formal employment, primarily in the micro and SME sectors. USAID, through a competitive selection process, will choose one or more Brazilian NGO partners capable of providing high-level, medium to long-term training to vulnerable groups, including youth involved in gangs, juvenile offenders convicted of minor crimes, victims of TIP in persons and sexual exploitation, and with disabilities. Training will focus on entrepreneurship, information and communication technologies, the tourism industry, trade and trade-related services such as accounting, stock management, logistics, financing, sales, and marketing. A small-grant component will also be established to provide direct support to local organizations doing innovative work in youth training and employment. Primary implementing partners will be identified through a competitive process.

Increase Trade and Investment: (\$770,000 DA). USAID will build the capacity of local partners to improve and expand trade-related services to small enterprises. USAID plans to develop a program to strengthen the Brazilian Network of International Business Centers in partnership with the Brazilian Confederation of Industries; provide technical assistance to the Brazilian Export Promotion Agency to review and improve the effectiveness of their programs; and partner with the Brazilian Small Business Agency to design and initiate a trade capacity building program for local brokers and traders specializing in small producer transactions. USAID will work with traditional and non-traditional financial institutions to build their capacity to extend trade finance to small business and small business consortia. Principal grantees will be determined competitively.

**Performance and Results:** In FY 2005, USAID researched the small business environment and selected four representative small business trade clusters (swimwear, cashew nuts, honey, and palm berry fruit), which received technical assistance to access export markets and improve competitiveness. USAID's assistance was provided to enhance product quality, marketing, access to finance and relationships with suppliers and distributors. Trade activities were initiated in the last three months of FY 2005, and resulted in over \$650,000 in negotiated exports and created approximately 750 jobs. USAID also began to strengthen the state Industrial Federation Centers for International Business by providing thirteen training courses on trade software such as Trade Map, Market Access Map, and Product Map.

In the policy arena, USAID-funded research facilitated the preparation of draft legislation that will encourage the development and operation of small business trade consortia, reversing earlier laws that increase small business costs and reduce their export competitiveness. The trade consortia legislation has been incorporated into the omnibus Small Business Development Act.

USAID poverty reduction efforts in FY 2005 resulted in organic farming pilots on over 25,000 hectares of land, the establishment of 80 seed banks, and training of 2,500 farmers in organic agriculture techniques. A Global Development Alliance enabled the establishment of over 200 school-based community gardens benefiting 83,000 children.

By the end of this program, USAID will contribute to an improved small business environment,

reduced policy constraints for exports, increased small producer two-way trade within the hemisphere (small enterprise exports should increase from 3% to 5% of Brazilian's total exports); increased small enterprise employment (at least 15% employment growth in supported clusters); increased United States access to Brazilian markets and joint ventures between U.S. and Brazilian firms; increased awareness of the benefits and challenges associated with free trade; and improved poverty reduction program effectiveness and dissemination of USAID models by the government and other donors.

## US Financing in Thousands of Dollars

Brazil

512-011 MSE Growth, Trade, and Poverty Reduction	DA	ESF
<b>Through September 30, 2004</b>		
Obligations	1,000	660
Expenditures	0	0
Unliquidated	1,000	660
<b>Fiscal Year 2005</b>		
Obligations	846	0
Expenditures	843	404
<b>Through September 30, 2005</b>		
Obligations	1,846	660
Expenditures	843	404
Unliquidated	1,003	256
<b>Prior Year Unobligated Funds</b>		
Obligations	0	0
<b>Planned Fiscal Year 2006 NOA</b>		
Obligations	990	0
<b>Total Planned Fiscal Year 2006</b>		
Obligations	990	0
<b>Proposed Fiscal Year 2007 NOA</b>		
Obligations	1,770	0
Future Obligations	0	0
Est. Total Cost	4,606	660