

**Minutes of Meeting**  
**of the Annual Meeting on Technical and Financial Cooperation**  
**between the Government of the Federative Republic of Brazil**  
**and the Government of Japan**

The representatives of the Government of Japan and of the Government of the Federative Republic of Brazil, met in Brasilia on July 13, 2007, to discuss matters pertaining to technical and financial cooperation between the two governments, taking into account the discussion on Japanese ODA loan between the two governments, held in Brasilia, on April 12, 2007.

The Japanese side was headed by his Excellency Ambassador of Japan to Brazil Ken Shimanouchi, and the Brazilian side was headed by his Excellency Director of Brazilian Cooperation Agency, Ambassador Luiz Henrique Pereira da Fonseca. The following items were discussed:

1. Opening Remarks

The head of the Brazilian delegation welcomed the Japanese delegation and expressed his contentment with the cooperation. Ambassador da Fonseca welcomed the visit to Brazil of President Sadako Ogata as a very positive step to further strengthen the cooperation between both countries. Ambassador da Fonseca also underlined the importance of TCTP.

Ambassador Ken Shimanouchi expressed his appreciation to the special arrangement taken by the government. The head of the Japanese delegation explained Japan's ODA policy and introduced the concept of *Invitation to "Cool Earth 50"* which was proposed by the Japanese Prime Minister Shinzo Abe, and also referred to the recent visit of the President of JICA, Mrs. Sadako Ogata, where she shared the view with Brazilian authorities for the necessity of focusing on priority issues. He also stated the hope that this meeting will be a valuable step toward the new era of cooperation between the two countries.

2. Macro Economic context of Brazil

The Brazilian side presented recent macro economic and political situation in Brazil.

### 3. Current Situation of Japanese ODA

The Japanese side explained about recent trends of the Japanese ODA, its budget and policies and proposed to continue with the annual meeting between the governments in Brasilia to formulate well constructed projects which better fit the Japanese ODA policies and the Brazilian policies and needs. The Brazilian side responded affirmatively to the proposal.

The Japanese side expressed renewed interest in cooperating with Brazil to combat global warming, in light of the concept of "Cool Earth 50". The Brazilian side welcomed Japan's effort to give further momentum for the discussion on climate change and took note of the proposal and recalled the role of the Clean Development Mechanism (CDM) in fostering cooperation to reduce greenhouse gas emissions. The Brazilian side, to this effect recalled the joint communiqué on Kyoto Protocol CDM issued on May 26, 2005, in Tokyo, by President Luís Inácio Lula da Silva and Prime Minister Junichiro Koizumi.

### 4. Areas of interest for technical cooperation projects

The Japanese side expressed its interest to formulate technical cooperation projects jointly in the areas including, but not limited to, the following:

- sustainable rainforest management in the Amazon;
- production of bio-fuel with a view to support small farmers and to contribute to the reduction of greenhouse gas emissions.

The Brazilian side remarked the support from the Japanese side should not be limited to the Amazon forest but be extended to other forest systems of Brazil.

The proposal of the Japanese side was made due to the fact that with decrease in the budget for ODA of Japan, projects should be carefully selected to maximize the use of limited resources.

The Japanese side also expressed that synergy effect of Japanese ODA schemes, namely Japanese ODA Loan and Technical Cooperation, should be better explored as two institutions, JICA and Japanese ODA loan division of JBIC (Japan Bank for International Cooperation), would merge together as one institution in October, 2008.

The Brazilian side responded by indicating key areas of interest, namely environment,

industry, agriculture, health, and social development, as stated in the joint declaration by the heads of state in May 2005 in Tokyo. The Brazilian side agreed to jointly formulate technical cooperation projects and also to better explore possibilities to harmonize Japanese ODA loan projects with technical cooperation projects. The Brazilian side proposed to further discuss the matter of the establishment of a mechanism to jointly formulate projects.

#### 5. Technical Cooperation for Digital TV

Taking into account that the Brazilian Digital TV System is based on the Japanese ISDB-T System, the Japanese side expressed its interest to cooperate with Brazil in that area, particularly in what concerns the human resources development. The Japanese side also remarked that the extension of the ISDB-T System to other countries in Latin America is of its interest.

The Japanese side expressed its interest in sending Japanese experts to Brazil.

Brazil showed keen interest on cooperating on the subject, within the framework of the mutual understanding reached at the Brazil-Japan Joint Working Group for Digital TV, specifically as regards the support of the Japanese side in the training of Brazilian specialists on the Digital TV area. Brazil also agreed that the promotion of the ISDB-T System to other countries in Latin America is of both sides interest and remarked that strong joint efforts in that area have been carried out in coordination with the Japanese side.

#### 6. Matters concerning JBPP

Both sides confirmed the Minutes of Meeting of the III Planning Committee of Japan-Brazil Partnership Programme (JBPP) which was held on June 19, 2007 in Brasilia.

The Japanese side expressed its interest to start the negotiation as early as possible on proposed projects (as per attachment) that have consent from all the parties involved, which include the government of the targeted country and the Brazilian and Japanese authorities concerned, and also taking into account the preparedness of the project and resources availability.

The Brazilian side shared the view with the Japanese side on the issue.

The Japanese side proposed a possibility of dispatching Brazilian experts to third

countries in connection with the Third Country Training Programme (TCTP), and considers it as a JBPP project in third countries. The Brazilian Side welcomed the proposal and will analyze the best form of responding to this proposal in line with the Brazilian cooperation mechanism.

The Japanese side expressed its interest to formulate third country projects jointly in areas of mutual interest among all parties involved. The Japanese side also demonstrated its interest to formulate projects in areas of agriculture and bio-fuels in the future.

The Brazilian side will assess technical cooperation project opportunities that can be carried out in the JBPP in due course.

#### 7. Harmonization of Technical and Financial Cooperation

The Japanese side explained the reform in Japanese ODA institutions, where JICA will merge with Japanese ODA loan division of JBIC in October, 2008. The Japanese side mentioned its expectations on the reform's positive impact to technical and financial cooperation of Japan in Brazil and such harmonization of technical and financial cooperation is highly appreciated in Japan.

#### 8. Status of JICA

The Brazilian side informed the Japanese side of the progress on consideration of the draft agreement for granting JICA a new status in Brazil. As soon as the matter is finalized the Japanese government will be duly notified.

The Japanese side expressed its strong wish to resolve this matter at the earliest possible date with every effort from both sides.

#### 9. Supplementary Agreement to the Basic Agreement of Technical Cooperation

The Japanese side expressed concern over the supplementary agreement not being concluded in timely manner, as development study in Manaus and Training Programme for Young Leaders, the former Youth Invitation Programme, are inhibited from being executed.

The Japanese side also strongly encouraged the Brazilian side to resolve the issue at

the earliest possible date.

The Brazilian side took note of the Japanese concern and expressed its willingness to undertake every effort to help solve the matter.

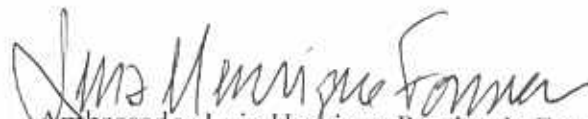
#### 10. Other matters

Both sides stressed the importance of year 2008 as Japan-Brazil Exchange Year, and also as the commemoration of the centennial of Japanese immigration to Brazil. Both sides also expressed their strong wishes to give further momentum for our cooperation on that occasion. In this regard, the Brazilian side expressed its intention to mark the celebration by including a special event to draw attention to the very important aspect of financial and technical cooperation between Japan and Brazil within the context of the centennial.

Brasilia, July 13, 2007



Ambassador Ken Shimanouchi  
Embassy of Japan in Brazil  
Japan



Ambassador Luiz Henrique Pereira da Fonseca

Director

Brazilian Cooperation Agency – ABC

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