

Prosperity Fund Portfolio in Brazil

UK Aid policy and the Prosperity Fund

The UK is committed to spend 0.7% of the GNI (Gross National Income) in Official Development Assistance (ODA).

The Prosperity Fund is a £1.2 billion portfolio of programmes over seven years focused on promoting inclusive economic growth and reducing poverty. The Fund also looks to create opportunities for international business including UK companies, as a secondary benefit.

The Fund's focus is on ODA-eligible middle-income countries where around 60% of the world's poor live and where 60% of global growth will come from by 2030 (OECD). The Fund includes a small non-ODA component of £33 million, split over 4 years (2016 to 2020).

The Fund provides expertise and technical assistance in sectors and countries where there is the highest potential for inclusive growth, to:

- promote economic reforms and remove barriers to trade
- strengthen policy capacity and build strong institutions
- reform key sectors such as infrastructure, energy, finance, education and healthcare
- tackle corruption

The Prosperity Fund forms a small but strategic proportion of the UK's total ODA commitment. It focusses on multi-year programmes in middle-income countries, which will help to make the world a more prosperous place.

All development projects and programmes comply with the International Development Act 2002, the International Development (Gender Equality) Act 2014, the OECD Development Assistance Committee (DAC) criteria, and UK Government transparency commitments on ODA spend. All UK ODA is untied.

Brazil

Brazil is an eligible country to receive ODA resources, according to OECD DAC. The UK's Overseas Development Assistance (ODA) spend in Brazil has increased significantly since 2015, to well over £50 million a year.

Brazil has striking potential, but still counts with high levels of poverty and inequality. Brazil has a track record of economic growth coupled with poverty reduction: 35 million people were lifted out of extreme poverty (<\$1.90 day) since 2005, although approximately 55 million Brazilians still live in poverty. COVID-19 will have a disproportionate effect on the lives and livelihoods of vulnerable groups in the short and medium term, so presents further challenges.

Opportunities for productivity growth in Brazil include: energy needs,

especially in renewables to meet ambitious climate targets; additional private financing for essential infrastructure investments; improvements in infrastructure operation; reduction of costs of international trade and unlock export opportunities for many companies, and filling significant skills gaps. Specific strengths include a strong R&D base, a young and digitally savvy population, huge solar and wind potential and world-leading agritech.

The UK will work together to increase Brazil's productivity and develop sustainable, inclusive, low-carbon economic growth.

Prosperity Fund in Brazil

The Brazil Prosperity Fund programme aims to support Brazil's economic modernisation, where increased productivity will facilitate sustainable economic growth and poverty reduction. The Fund is also well positioned to bolster Brazil's recovery from COVID-19, helping to create opportunities for green growth and better public services.

This programme encourages economic development in Brazil, and support a range of Sustainable Development Goals, in particular Sustainable Development Goal 17 'Strengthen the means of implementation and revitalize the global partnership for sustainable development'. It will also work towards better functioning markets that will drive prosperity in Brazil by creating opportunities and incentives for firms to invest, generate jobs and grow.

The Portfolio in Brazil

The Portfolio has programmes in the following areas for development, which have been chosen because they are likely to lead to the greatest overall opportunities in support of long-term, sustainable inclusive growth. In each of these areas, we are working in close collaboration with Brazilian partners including government at federal, state and municipal levels, and regulatory agencies. The programmes have a range of delivery models but typically are being implemented by commercial partners following a competitive procurement process, or multilaterals.

Trade

The Trade Portfolio (Bilateral, Global Trade and Global Business Environment Programmes) unlocks additional trade flows from Brazil into the international market and create an easier and more stable business environment, generating job creation, economic growth, women's empowerment and poverty reduction.

Energy

The Energy programme fosters growth in renewable energy by improving regulations and helping to create an enabling environment that supports Brazil's low-carbon energy transition. This will lead to increased energy security, affordability, and increased investment in clean energy and technologies such as smart grids, energy storage, and grid integration.

Green Finance

The Green Finance programme addresses poverty and inequality by improving the availability of private sector finance for high quality 'green' infrastructure investments, both deepening capital markets and supporting the country's journey to a low carbon economy as a result.

Future Cities

The Future Cities Programme advances sustainable urban development in Brazil through the development of smart city technologies in mobility, water and data management. It supports innovations in order to reduce poverty and boost sustainable economic growth, by piloting new technologies with biggest potential to bring change and able to scale up.

Health

The Better Health Programme supports the increase of sustainability and efficiency of the Brazilian Unified Healthcare System, SUS. This work focuses on: a) strengthening primary care; b) improving data and information management and c) translating research into innovation.

Skills for prosperity

The Skills for Prosperity Programme improves the affordability, quality, relevance and equity of Higher Education (HE) and Technical and Vocational Education and Training (TVET) in partner countries. It focuses on improving equity, quality and relevance of education and promote an enabling environment for reform through English Language Teaching (ELT) and transferable skills. The programme equips youth with language skills where poor English is a barrier to access further education and employment. It also creates a model for ELT that elevates language standards in Brazil, supporting social mobility and business opportunities.

Digital access

The Prosperity Fund's Digital Access Programme catalyses affordable, inclusive, safe and secure digital access for underserved and excluded populations. It utilises digital inclusion to support thriving digital ecosystems, create skilled jobs and generate digital solutions to local challenges.

Infrastructure

The Infrastructure programme works with the Ministry of Economy and the Ministry of Infrastructure to support implementation of UK's 5 case business model for development and selection of infrastructure projects and implement Business Intelligence Modelling (BIM) policies.

[One Pager – Prosperity Fund Brazil](#) (PDF, 392KB, 1 page)

For more information about the Prosperity Fund in Brazil, please contact us:

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