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**PROPOSAL FOR AN A.I.D. TRAINING AND TECHNICAL ASSISTANCE  
PROGRAM IN BRAZIL TO SUPPORT ECONOMIC POLICY REFORM EFFORTS  
AND PRIVATE SECTOR RESPONSE TO IMPROVED POLICY ENVIRONMENT/  
INCENTIVES**

**April 24, 1992**

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**Background and Summary**

**Background: Brazil's Economic Policy Reform Progress and Problems  
to Date:**

During the first two years of the Collor administration, Brazil has made impressive strides in policy reform and structural adjustment, especially in liberalizing foreign trade, dismantling domestic price controls, ending backward-linked wage/price indexation, and privatizing state-owned industrial enterprises. Since March 1990, when the Collor administration took office, quantitative import restrictions have been largely removed, the "law of similars" (which refused permission to import when domestically produced items deemed substitutable were available) has been abolished, and average and maximum tariffs have been lowered and will be lowered further. Real interest rates are positive. On the other hand, much remains to be done in privatization, regulatory reform and trade liberalization (tariffs are still high and relatively non-uniform and procedures need streamlining).

Until recently, success has eluded the government's efforts to achieve macroeconomic stabilization and balance in the public finances, as evidenced by the high (currently 21 percent a month) rate of inflation. Since 1985 the country has seen a number of unsuccessful attempts to end inflation quickly by blocking financial assets and/or freezing prices. Inflation has been coming down since the beginning of the year, however, having declined from 24-26 percent per month earlier this year. (Annualized, the most recent month's inflation rate is 884 percent per year compared with an average 2864 percent in 1991 and 1330 percent in 1990).

The recent (January 1992) approval of an IMF stand-by program and conclusion of Paris Club negotiations provide new reason for hope that the authorities will succeed in bringing inflation under control and stabilizing the economy -- a necessary condition for consolidating other reforms and achieving the government's subregional integration (Mercosur) objectives. A deal is close on restructuring the official debt owed to foreign commercial banks along Brady Plan lines.

Brazil is currently going through a difficult and most likely protracted period of stagflation and economic dislocation (involving large-scale disemployment and redeployment of its labor and management resources) as it seeks to achieve macroeconomic stabilization, economic opening, and transition to a sustainable economic growth path.

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With its population of 141 million, Brazil's size as a market for its South American neighbors' products means that a successful, outwardly oriented and sustainably rapidly-growing Brazilian economy will be a positive factor for regional growth. From the standpoint of U.S. foreign policy interests, a prosperous and democratic Brazil on a sustainable growth path is an important objective.

In a wide range of policy reform-related areas, A.I.D. assistance can provide critical "debottlenecking" and access to experience and expert analysis in the U.S. and other countries. Access to this experience and analysis is needed to help Brazil utilize its highly trained human resources to best advantage in government, business and the public policy research and teaching community to address and successfully resolve its adjustment related problems. There is an effective demand for, and capability to make good use of, additional A.I.D. assistance in support of economic policy reform and private sector response to improved policy incentives.

#### Expanding the A.I.D. Program in Brazil to Support Economic Policy Reform and Private Sector Response

The key role which economic policy reform and private sector response to improved policy incentives must play in helping Brazil to attain a sustainable, outward-oriented growth path is clear. These objectives can best be secured by a modest expansion of A.I.D.'s program in Brazil to provide a substantial level of short term training opportunities, technical assistance, and funding for workshops and research studies in support of economic policy reform and strengthened private sector response to improved incentives. An expanded USAID program will promote concrete appreciation of U.S. support and help increase U.S.-Brazilian trade and investment ties.

The expansion should be initially in the area of training. When resolution of the debt arrears problem and nuclear nonproliferation concern permits lifting of Brooke/Alexander and Glenn/Symington restrictions, as is anticipated will occur in the relatively near future, the program should be expanded to include U.S. and third country-source short term technical assistance and support of in-country workshops and action-oriented research studies.

A.I.D. funding for economic policy reform-related and private sector strengthening activities is currently very limited (about \$53,000 for FY 92 in funds deobligated at the end of FY 91 have been located), and is effectively restricted, under the current contract in which the State University of New York (SUNY) acts as a clearing house, to training opportunities in the United States).

Expanded A.I.D. assistance can complement the USIS International Visitor (I.V.) program, and speakers' program. A.I.D. assistance is targeted to training which is more specific-problem oriented

and technical than is in the mandate of USIS, while USIS's I.V. program is more directed toward providing leaders and potential leaders with broad-spectrum introduction or reintroduction to the U.S. scene. Expansion of the A.I.D. program to include support, as appropriate, of technical assistance, workshops and research studies conducted in Brazil meets a need which the USIS speakers' program can supply in technical depth only to a modest extent.

### Third country training

With a modified contract with SUNY, USAID assistance can permit training visits to third countries (e.g. Mexico for an example of getting public infrastructure built and operated through a private concessions modality; Chile for social security system innovations). This is not possible through USIS. Other USG efforts and private sector US efforts -- e.g. AMCHAM -- can facilitate study visit travel including portions in third countries but currently USAID support to such travel is limited to in-U.S. segments.

This report recommends that the USAID amend its contract with SUNY to enable training to be provided in appropriate third country locations as well as in the United States.

An expanded program of USAID assistance in support of the economic policy reform process could include as priority areas: (1) privatization, and contracting out, especially in the area of transport and utilities infrastructure and services; (2) demonopolization and establishment of a regulatory environment to promote competition (e.g. antitrust) while keeping the regulatory function to the minimum compatible with protection of the public interest; regulatory reform and streamlining; (3) financial markets development; social security reform, including privatization; (4) foreign trade liberalization; (5) public finance and monetary management, and expenditure decision-making; and (6) facilitating adjustment to economic policy liberalization.

This is a fairly wide range of potential priority areas. As the program gets underway, further investigation and experimentation will obviously be necessary to establish which areas should ultimately receive top priority and concentration of resources. Providing modest amounts of training in each area in an initial "probing" phase can be used to gauge the depth of interest, capacity and commitment to use U.S. training and consulting services accessed through the program to important policy issues. Ultimately, as the program is expanded to include funding for technical assistance, workshops and research studies, resources should be concentrated primarily on three or four areas of greatest interest (perhaps, for example having to do with privatization and related regulatory system reforms). Some degree of flexibility for "targets of opportunity" and shifting focus should be retained to make sure that the program stays in

touch with reform priorities and effective institutions and individuals.

### USAID's Potential Contributions

Both the private sector and the public sector in Brazil today are looking for ways to identify, achieve consensus on, and initiate and implement needed policy reforms, and to adapt to the challenges of continuing financial austerity and economic liberalization. They are looking for reforms that will work. With the return of civilian democratic rule since 1985 and growing awareness of the deficiencies of the old, inward-looking statist model of economic development, there is a new willingness to look at and learn from the experiences of other countries in experimenting with economic policy reform.

### Evidence on effective demand for training and T.A.; findings from interviews on this subject

A series of interviews conducted with a large number of individuals in key positions from a broad range of public and private sector institutions in March 1992 has provided us with convincing evidence of Brazilian interest in, need for, and ability to benefit from an A.I.D. program of economic policy-related training and technical assistance of the kind proposed in this paper. (A list of persons interviewed and their institutions is provided in the annex).

Despite the low-key approach that was adopted in interviews to avoid raising expectations, Brazilian interviewees in government, business and academic/research institutions offered numerous instances in which training, TA, and/or support for research studies and/or workshops would be useful and could be well utilized.

The interviews help confirm that in a wide range of policy reform-related areas, A.I.D. assistance can provide the critical "debottlenecking" and access to experience and expert analysis in the U.S. and other countries, including Brazil itself, needed to enable Brazil to use its highly trained human resources to best advantage in government, business and the public policy research and teaching community to address and successfully resolve its adjustment related problems.

### Capacity to utilize additional assistance

It should be noted that Brazil's highly skilled policy analysis and business management community includes many individuals who were trained to the Ph.D. level in U.S. universities under A.I.D. programs in the 1960s and 1970s in key institutions (e.g. Brazilian economists and business management specialists in such institutions as University of Sao Paulo, Getulio Vargas Institute-Sao Paulo and IPEA, not to mention professionals trained by them in Brazilian educational institutions. The

capacity to absorb and apply selective short term training and do relevant policy oriented research is present, thanks in part to previous A.I.D. programs of assistance in long term training.

While the USAID program, outside of certain areas such as AIDS prevention and Global Climate Change, is currently limited to provision of training opportunities in the U.S., expanded funding for training in support of economic policy reform and private sector strengthening at an early point would be useful. In some areas, particularly relevant A.I.D.-funded training could be provided in third countries, and it is recommended that the USAID Office in Brazil amend its contract with SUNY to allow such third country training opportunities, where appropriate, to be pursued.

Brazilian decision-makers in the public and private sectors are particularly looking for practical, "hands on" training opportunities with entities in the United States or in third countries at a comparable level which have devised and implemented creative, private sector-inclusive solutions to specific problems facing Brazil for which the decision-makers are responsible for addressing.

#### Areas of concentration

The top problem areas in which a program of expanded training and technical assistance would be most helpful in moving the policy agenda along are as follows: (1) privatization of economic services and infrastructure in transport and communication, including contracting out, specifically, letting of long-term concessions for provision of public services and infrastructure; (2) demonopolization and establishment of an appropriate regulatory environment (e.g. antitrust) to promote competition while keeping the regulatory function to the minimum compatible with protection of the public interest; regulatory reform; (3) financial markets development possibly including social security reform involving pension management privatization; (4) liberalization of foreign trade including outward-looking economic integration arrangements with neighbors in the southern cone; (5) public finance and monetary management; (6) facilitating the adjustment process.

Interest was also expressed in technical assistance and studies to assist in identifying sectors and lines of production which would benefit from liberalization and opening of the economy. However, research on picking "winners" looks a lot like "industrial policy"-oriented activity, which is a problematic area. Moreover, it would seem that Brazilian businessmen would be best placed to make such judgments without needing outside-funded research to help on this. Similarly, although some interest was expressed in training or T.A. for retraining of disemployed labor and management to help facilitate adjustment and private sector response to changing incentives under economic liberalization, the impact that could be achieved for modest

amounts of resources is doubtful and this is not recommended as an area of concentration for the program.

### Program administration

Provision of training and other assistance would be done with due regard to the following concerns: additionality, impact, selection criteria (since demand for training services is almost certain to exceed supply).

By additionality, it is meant that there is a reasonable supposition that without A.I.D. assistance the institution would not obtain the training or technical consultation services being requested.

Ability to pay is one criterion for selection, as is capacity to utilize the training and/or consultation services, and put them to good use in a way that significantly improves action outcomes. It is assumed that most institutions capable of utilizing training most likely can pay for or secure other funding for international travel. Some could pay still more. In such cases, maybe some of the training and workshop costs should be done on a shared basis.

### Impact: Likelihood of making a difference

The most critical problem is, how to insure impact? The amount of funding proposed is small, Brazil is a very large country, and the administrative capacity of the Mission is very small. Even with a larger proposed funding level in a smaller country, skepticism about the extent to which the proposed training and technical assistance would actually make a difference -- cause things to happen faster or achieve better outcomes than would otherwise occur -- might seem in order.

Significant impact seems likely because of key actors' openness to learning firsthand what other countries have done and to trying to apply these lessons in Brazil. As noted earlier, there seems to be a new willingness at high levels to look at and learn from the experiences of other countries in experimenting with economic policy reform.

Impact will be assured by targetting assistance to strong institutions who are willing to send key people for training and make key people available to work with and utilize consultants funded by the program. The Mission will work with embassy economic/commercial staff, taking advantage of the embassy's knowledge of who are the key players and the institutions in the private and public sectors which are serious about utilizing training and consultants' services to shape decisions and resolve policy issues. The Mission will also work with World Bank, IDB and UNDP resident missions to identify priority reform areas and actors.

While there is always the possibility in any particular case that an individual receiving training may move on to another positions before making significant use of the training received, in general it can be anticipated that training will be well utilized and have an actual impact in advancing and improving the quality of the policy reform process. Offering training and following up on the use subsequently made of it provides a means of gauging depth of interest and capability in trainees' institution for making good use of U.S. training and funding to explore and resolve the policy-related issues for which they are responsible.

#### Detailed illustrative review of the possibilities

Possible activities identified in interviews as being of major interest in policy-related areas and in which A.I.D.-funded training, technical assistance, and/or support for workshops and/or research studies, would be welcome and useful include:

#### I) Privatization of state-owned/controlled services and infrastructure in transport and communication, including contracting out, specifically, letting of long-term concessions for provision of public services and infrastructure;

Government agencies at both the Federal and the State level (at least in Sao Paulo) are interested in technical assistance and training to move along their privatization agenda. A major item on the agenda is to privatize, either through outright sale, or through letting of long-term concessions. a wide range of existing infrastructure and associated services, including roads, shipping, ports, bridges, and power plants and distribution facilities. A second major agenda item is to promote the construction, operation and maintenance of new infrastructure, such as urban expressways (e.g. Sao Paulo) through the competitive letting of long-term concessions to private investors.

A number of important objectives are involved: getting foreign and domestic investors involved to provide equity investment capital and know-how, shoulder risk, and provide incentives for keeping costs down; providing employment for construction and basic industries; and providing infrastructure and services on a cost-effective basis, thereby easing the burden on the public finances.

Issues to be mastered include: the setting of rates and levels of effort; monitoring of contractors'/concessionaires' performance; and the extent to which, if at all, concessions should be shaped so that the State subsidizes users.

Both government agencies (e.g. the Federal Ministry of Infrastructure, the Federal Ministry of Privatization (Desestatizacao, and the development bank BNDES) and private groups (e.g. the new Paulista development company) are interested

in the experience of the United States and other countries, and in receiving training and T.A. in these areas.

Priority activities include:

1) Training, then technical assistance on how to implement demonopolization and privatization of selected operations currently in the public sector, including selected large vertically intergrated and crosslinked state monopoly mining/power production and distribution conglomerates, within an appropriate regulatory framework (e.g. study of how public utility rate commissions work in the United States);

2) Training and workshops on how to achieve improved, more dynamic, more accountable public sector management (public sector entrepreneurship) and under this heading in particular, how to contract out, let private sector concessions for construction and operation of heavy infrastructure (e.g. highways and bridges and social services); regulation of concessionaire's price and level of service decisions;

II) Demonopolization; establishment of an appropriate regulatory environment (e.g. antitrust) to promote competition and competitiveness; and regulatory reform to level the playing field between large and small businesses;

Demonopolization in the Brazilian context today involves breaking up large vertically integrated state holding companies as they are privatized, and dealing with such things as market-sharing agreements among firms. Regulation is seen as needed to prevent large private companies from acting singly or in combination to abuse their monopoly or quasi-monopoly positions, especially in the utilities and transport sectors. While foreign trade liberalization and opening up the economy in itself will undermine domestic market monopoly positions, there is still considerable room for anti-trust and regulatory action, especially in the transport and utilities industries.

A concern should be to avoid excessive regulatory control which might lead to disinvestment in regulated enterprises and/or excessive investment of regulators' and regulatees' time and resources in matters of little importance. Because of the tradition of state ownership and control, an effective system of regulation geared to promoting competition apparently remains to be designed and implemented. It is felt that this is an area in which U.S. experience would be especially relevant.

A major concern for Brazil continues to be how to ensure rapid productivity growth and to achieve and maintain international competitiveness for Brazilian industry. This concern is reflected in the Federal Economy Ministry's Productivity/Competitiveness program and the associated Competitiveness Commission, a group with inter-ministerial span made up of leading businessmen. This group appears to be open to

thinking about the role of IPR and regulatory reform as means of enhancing productivity and competitiveness. Provision of T.A. and training working with the Productivity/Competitiveness Program and the Competitiveness Commission on such matters as administrative follow-up of the IPR law, which it is hoped may be passed by late 1994, may be a very productive approach to supporting economic liberalization.

Regulatory reform and streamlining, especially to help level the playing field between small and large firms, could focus on specific instances in which existing regulations limit competition by arbitrarily restricting the eligibility of small businesses to engage in certain business operations or making it too costly for any but larger firms to do so. It appears that this may be an important problem to which some training or research funding resources could be directed.

In particular, research could focus on possible modification of legislation and regulations as needed to make it easier to form small businesses, and for small businesses to engage in a full range of activities such as bidding for contracted-out public services, importing, and exporting, to the extent that this is not already possible. A group with experience and momentum in this area is Sao Paulo's Union of Small Businessmen.

Recommended activities for participatory agencies such as the anti-trust division of the Ministry of Justice and the Competitiveness Commission include:

- 1) Training and T.A. in U.S. anti-trust law;
- 2) Training and T.A. in U.S. public utilities commission regulatory and rate-setting procedures.
- 3) Training and T.A. in U.S. administrative procedures in the IPR area;
- 4) Training and T.A. in regulatory reform and simplification in U.S. and third countries focusing on removal of regulatory impediments to formation and growth of small businesses.

III) Financial markets development and improvement of the investment climate, including social security system reform to establish a privatized system of pensions for pension contributions on earnings beyond five minimum wages

Efficient, smoothly functioning financial markets and institutions which command investors' confidence are important for allocating investment resources and attracting foreign and domestic capital to investment opportunities in Brazil.

In the area of social security reform, possible reforms include possible adoption of a privatized, individual account approach for investment of social security-mandated contributions on that

part of a worker's salary exceeding five minimum salaries. This is an area in which some training in the United States and/or relevant third countries such as Chile, could be especially useful. There may also be a limited role for technical assistance: U.S. experts could play a problem-solving role.

Areas of interest in financial markets development include:

1) banking regulation/supervision and deposit insurance; training, technical assistance, and focused studies would be possibilities;

2) stock exchange supervision/regulation; with training, technical assistance and support for studies in the area of financial markets (including stock market) development and regulation;

3) social security reform to include a privatized, individual accounts approach to pension accumulation and investment, channelling pension savings to investment in financial instruments of private sector enterprises through the financial markets; training, technical assistance, and focused studies would be possibilities.

For conducting research studies and workshops in all these areas, expertise and interest exists in institutions such as the University of Sao Paulo, and other institutions which could serve as in-country resources. The National Forum group of ex-Planning Minister dos Reis Velloso is developing a proposal for privatizing pensions; the research group IPEA expects to be involved in studies of social security reform, and the Sao Paulo-based Entrepreneurial Association (PNBE) is interested in pension reform as an important subject for their membership.

#### IV) Foreign trade liberalization

Brazil has made major strides forward in foreign trade liberalization but much remains to be accomplished. World Bank and IDB trade sector loans are planned and would eventually provide resources to help push forward the policy reform and reform-related agenda but A.I.D. training and other assistance can help support a number of important activities in this area in the meantime. These would include some or all of the following:

1) Simplification/computerization of foreign trade procedures (a computerized, "one-form-for-everything" system to register transactions) to complement the trade liberalization which has taken place and is taking place;

2) development of foreign trade information systems (could include marrying O.A.S.'s A.I.D.-funded SICE system with ECLAC's system in which emphasis is on Latin-Latin trade flows);

3) training in techniques of negotiation for international bilateral and multilateral trade negotiations (e.g. GATT, FTAs)

4) improvement of foreign trade statistics;

5) research studies to provide assessment of the impact which programs of economic liberalization, especially of foreign trade, including Mercosur, will have/are having on the economy as a whole, on consumers, and on producers in various sectors. Views differ on the importance of doing this. One view is that such studies are not necessary because (1) decisions have already been taken to go ahead with the programs and/or (2) lots of studies have been done already. Another view is that there are serious concerns with the reforms package in the business community and at large, because many people think that while the short or medium term net impact of liberalization on the economy may be positive, they believe the longer term impact may be negative. This second view may need to be addressed. However, if an expanded A.I.D. program were to provide financing for such studies by Brazilian or US researchers it should do so for studies receiving funding from other sources -- because of the amount of funding that might be required and to avoid being overly identified with the studies.

6) tax harmonization (except that, in context of Mercosur, this really amounts largely to introduction of a VAT to replace other indirect taxes, and helping on this may not be a U.S. comparative advantage);

V) Public finance management, monetary policy, and expenditure decision-making:

As evidenced by Brazil's repeated efforts since 1985 to stop inflation, management of the public finances and monetary policy is a major problem area.

Tax reform questions also need examination, especially as they affect: capacity to raise revenues and therefore to stabilize the economy, competitiveness, ability to attract foreign investment (e.g. possibly undue complications in taxes on profits and remittances to foreign holders of Brazilian securities), or constrain further progress toward closer regional economic integration.

With IMF assistance, Brazil's outlook has improved considerably for mastering the macroeconomic problems of public finance. However, some externally-provided technical assistance could make a contribution to dealing with state-of-the-art questions of current interest to policy-makers in such areas as foreign exchange liberalization, financial and bank reform legislation. Support could be through universities such as Getulio Vargas, U. of Sao Paulo, or the Pontifical Catholic University or think tanks such as IPEA (Institute of Applied Economic Research).

On the public expenditure side, a critical issue is establishing effective expenditure controls and, associated with this, better procedures for allocating budgetary resources among competing claims. There is a need for a greater role for benefit/cost analysis of government services and various delivery options, as an aid to making public expenditure decisions especially in the areas of education and health. Given that the IMF program will effectively involve observing overall limits on spending, the need is greater than ever to examine options, including privatization for improving services, finding the most efficient ways to provide health, primary education services and to establish the optimum mix of services in the health and education areas.

## VI Facilitating adjustment to economic liberalization

1) There is a role for research to establish the overall long term benefits and costs of liberalization and opening up. Maybe USAID could participate in the financing of some such studies. The emphasis could be on the medium and longer term effects on productivity and competitiveness, which is a key issue in Brazil. There are strong concerns at least in some circles, that economic liberalization and opening up of the economy while beneficial in the short to medium term, could result in failure to adopt new technology and raise productivity in the longer term.

To meet this concern, an expanded A.I.D. program could also consider providing funding in support of some or all of the following:

-- Working with the Competitiveness Commission (made up of leading businessmen) on IPR;

-- Supporting small business associations' efforts to teach members how to apply readily available knowhow to raise with minimal capital investment requirements productivity of small businesses;

-- Providing some training or workshop support to groups working for improved labor-management relations;

### 2. Economic training for Congressional Staff and/or relatores

Evidence on the usefulness of this is mixed. It seems that Congressmen tend to rely on outside advisers rather than regular staff for major economic policy issues. On the other hand, well-targetted training for key relatores on major issues such as IPR, could be useful.

3) To address concerns about possible conflicts between market-driven, short time horizon decision-making and environmental concerns, help in integrating environmental considerations into firm-level decision-making is needed. Interest was evidenced in training and T.A. to strengthening of environmental departments

in large vertically integrated and crosslinked state monopoly mining/power production and distribution conglomerates slated for partial or full privatization. (This conceivably could be addressed as a GCC concern).

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**ANNEX:**

**Institutions Visited and Persons Interviewed:**

**In Brasilia:**

**U.S. Embassy:** Economics/Commercial staff - Gordon Jones; Jack Orlando; and Ed Verona.

**UNDP:** Nikhil Chandavarkar - UNDP Representative in Brazil.

**World Bank:** Eric Cruikshank - World Bank Representative in Brazil.

**IDB:** David Atkinson - IDB Representative in Brazil.

**Infrastructure Ministry:** Max Fonseca - General Coördinator of Sectoral Planning; and Minister of Infrastructure Flavio Sapha.

**Banco do Brasil,** Emilio Garofalo Filho - Director of International Department.

**Ministry of the Economy:** Roberto Macedo - Special Secretary for Economic Policy.

**Ministry of the Economy:** Joao Paulo Peixoto - Director, Congressional Relations.

**Ministry of the Economy:** Celso Marcos de Souza - Director, Department of Industry and Commerce.

**Chamber of Deputies:** Alberto Goldman - Federal Deputy.

**Chamber of Deputies:** Cesar Maia - Federal Deputy (PMDB).

**Ministry of Commerce, Department of Foreign Trade:** Heloisa Camargos - Director.

**Institute for Applied Economic Research (IPEA):** Eduardo Felipe Ohana - Coordinator for Macroeconomic Policy; and Licio de Camargo - Director.

**Office of the President:** Jose Cechin - Chief Advisor for Economic Affairs.

**Anti-Trust and Consumer Protection Unit, Conselho de Defesa da Economia (CADE):** - Solomao Rottemberg - National Secretary.

**Comissao Valores Mobiliarios (Securities Exchange Commission):** Edison Garcia -- outgoing Superintendent of Institutional Relations Division; and Leal de Mendoza, Mr Garcia's successor as Superintendent.

**Ministry of External Relations: Ambassador Ruben Barbosa -- Chief, Department of Latin American Economic Integration.**

**Sao Paulo:**

**U.S. Consulate: Consul General Creagan, and Economic Officer Paul Allen Brown.**

**Federation of Sao Paulo Industries (FIESP): Sebastiao Garcia Freitas - Chief, Economic Department.**

**Union of Small Businessmen (SIMPI): Joseph Couri - President.**

**Brazilian Capital Goods Industry Association (ABDIB): Omar Bittar - Executive Vice President.**

**AMCHAM - John Mein, Executive Vice President.**

**Economic Research Institute (FIPE), University of Sao Paulo: Andre Franco Montoro Filho - Director; Professor Luciano Gualberto and Professor Denisard Alves.**

**Fundacao Getulio Vargas (FGV) Sao Paulo: Michael Zeitlin - Director; and Prof. Marcos Cobra.**

**National Ideas of the Entrepreneurial Class (PNBE): Sergio Mindlin - Coordinator; other members of PNBE.**

**State of Sao Paulo Planning Secretariat: Jose Roberto Cunha - Advisor, Business Relations.**

**AIFLD: Bruce Jay - Director.**

**Rio de Janeiro:**

**US Consulate: Consul General Bramante and participants in the Business Roundtable.**

**National Forum Group (INAE - Instituto Nacional de Altos Estudos) - Joao Paulo dos Reis Velloso, ex-Minister of Planning.**

**Fundacao Getulio Vargas (FGV) Rio: Julian Chacel - Professor.**

**Pontifical Catholic University Department of Economics - Dionisio Carneiro - Professor and Chairman.**

**Banco Bozano Simonsen: Robert Barclay - General Manager International Investors Department.**

**BNDS: Ricardo Figuero - Director, BNDS Privatization Program.**

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