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MINI-COUNTRY DEVELOPMENT STRATEGY FOR BRAZIL

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May 1988

## TABLE OF CONTENTS

I.	COUNTRY OVERVIEW	1
II.	OBJECTIVES OF THE STRATEGY	
	A. U.S. Objectives in Brazil	3
	B. What the Components of an ADC Program in Brazil Should Be	3
III.	THE PROGRAM	
	A. Family Planning	5
	B. Health	
	1. Child Survival/Well Motherhood in N.E. Brazil	9
	2. AIDS	12
	C. Environment	
	1. Agro-Forestry	14
	2. Urban Environment	15
	D. Participant Training	17
	E. Other Areas	
	1. Disaster Preparedness	17
	2. Self Standing Research Initiatives	18
	3. Esperanza, IESC	18
	4. Pvo networks for Social Services to Slum Populations	18
	5. Training for Africans in Brazil	18

## I. Country Overview:

Brazil is a nation beset with near term problems. Some are historic: a public debt capable of consuming a hefty share of export earnings (if paid) and a large population which is concentrated in cities and within 100 Km of the coast while vast underutilized rural tracts in the interior remain in few hands. Others are continuing: overexpanded Government involvement in the economy and excess spending stifle the economy while disinvestment in social priorities is compromising human values and the productive potential of its predominantly young population.

As the world's fifth largest country, its sixth most populous, and generating the eighth largest GDP in the free world, Brazil is mentioned along with Taiwan and South Korea as a member of the newly industrialized countries. It possesses significant mineral wealth (iron, manganese, bauxite, nickel, copper, tin, gold, semi-precious stones etc.), a vast agricultural potential (agriculture employs 35% of the work force and represents 12 % of GDP), and a surprisingly developed, albeit concentrated, industrial base (35% of GDP and 60% of exports). With a per capita GDP of \$1,972, Brazil is clearly classifiable as an ADC. But, Brazil is still, in spite of technology and technocracy, a developing nation in its political dealings with the external world, its public administrative performance and its role in relation to the needs of its people.

The civilian government elected in 1985 after a generation of military rule has had to assume a huge foreign debt. Confronted with this obligation, the Brazilian Government, in 1987, placed a moratorium on some commercial bank interest payments. Taken as a bold move, it proved to be little more than a stop-gap measure during a period in which internal confidence in the economy eroded drastically and foreign investment fell. Today, Brazil is struggling to reach agreement with the IMF and the commercial Banks, but has not faced up to its underlying problems, especially the need for structural reform and GOB spending constraint. At a time when Brazil desperately needs foreign exchange earnings, many obstacles to trade and foreign investment remain: failure to recognize intellectual property rights, protectionist trade barriers, and a generally insular approach to exchange opportunities.

Inflation is a dominant factor in daily life. President Sarney introduced the Cruzado Plan in 1986 to control prices and inflation. It lasted 9 months, but was improperly tuned. The economy crumbled as did public confidence in the Government. Runaway inflation, mixed with shock efforts to brake inflation through controls, have marked the past year. Inflation in 1987 was 366%; at present it is approximating 20% per month.

The current stagflation is eroding salaried workers' real income, shrinking the middle class, gradually eliminating the lower middle class and quickening the creation of peripheral areas and slums.

Disinvestment in social sectors and inefficient allocation of those resources which are available leave precious little for the poor majority. Shifting responsibilities for social programs from the federal government to municipalities has been proposed as a more efficient means of delivery. While

accepted in principle, decentralization is facing two constraints: GOB desire to reward the loyal and discourage the opposition, and a federal-state budgeting and transfer system which eliminates the autonomy in decisionmaking required to make decentralization effective.

Within Brazil, the differences between the southern states and the North are marked: life expectancy in the northeast is 51 years compared to 60 for the nation, per capita GDP is \$759 (about a third of the national average), and infant mortality is 105 per thousand compared to 60. Wealth and land ownership is concentrated in few hands, with great numbers of poor and landless having least access to social services.

Despite successes in family planning (65.3 % prevalency among women in union ages 15-44 and a decline in fertility rate from 2.7% to 2.3%, possibly falling to 2.1 by the end of the century), population is increasing by about three million per year. Population increases are greatest and its impact on quality of life most dramatic in underserved areas: the northeast and the slums around large cities. Rapid urbanization (from 36% in 1950 to 72% today and still growing) is the warning flag that the cost of excessive numbers of poor in cities will be severely felt in the next decade.

The environment, too, is seriously under attack. Agricultural land in poor, densely populated areas is suffering from depletion and erosion; tree cover has been cut and is not being replaced in large sections of the country. The Amazon (Amazonas, Rondonia, Roraima, Acre, Mato Grosso) is at risk. While the government exercises little influence over the physical and human (indian) destruction, public support for environmental actions is only beginning to occur.

Hopes that the current re-drafting of Brazil's constitution would have a positive effect on many of these issues are being frustrated. Little is expected to change with respect to governmental regulation, funding or federalist structure that would be of significance to the major development issues facing Brazil, although the federal/state share of tax resources will shift to favor states and, to some extent, municipalities more than heretofore.

Potential resources and tactics to address Brazil's medium term crisis are identifiable. Lacking is leadership, political maturity and popular pressure for change. Political evolution, civil service and structural reform, and stimulation of public awareness and will for action are necessary precursors to sustainable advances. By introducing and maintaining models and demonstrations, as well as facilitating collaboration among movers and shakers who can promote a more constructive interface between Government and society, political attitudes may be shaped and consciousness raised to move ahead.

AID can contribute most effectively in three ways: exposure of leaders to a wider range of ideas through participant training, facilitation of exchange of ideas, and promotion of public awareness and a sense of empowerment so that Brazilians will come forth on priority social concerns. Benefits sought include: (a) private organizations becoming better able to maintain themselves, to defend social services and to improve their relationship with Government at all levels; and (b) drawing forth talent from within Brazil to generate ideas and bring them to action.

## II. OBJECTIVES OF THE STRATEGY

### A. U.S. Objectives in Brazil

The U.S. maintains friendly relations with Brazil, but desires to further mutual understanding and trust and to encourage Brazil to be a more positive force in international relations. The Embassy's goals highlight four main areas:

1. foster continuing, long term stability;
2. maintain friendly relations and exchange of opinions with a view to Brazil being a positive voice in world affairs;
3. develop trade relationships and reduce trade disputes;
4. promote linkages for use of U.S. technology and for cooperation among U.S. and Brazilian scientific and educational leadership.

Trade and investment is not where AID has comparative advantage in Brazil today; spontaneous opportunities to facilitate contact and cooperation between U.S. and Brazilian enterprises will be pursued on an ad hoc basis.

Appropriate priorities consistent with country goals are: (1) increasing exposure of Brazilian leaders to the U.S. and to more diversified views; (2) elevating awareness of social concerns which are eroding the foundation for continued stability; and (3) stimulating cooperation in science and technology which permits social and economic gains from innovation.

### B. What the Components of an ADC Program in Brazil Should Be

The draft AID Strategy Paper on Advanced Developing Countries and Those in Transition characterizes the objectives of an ADC strategy as partnership and development promotion in trade, science and technology and human resources. The LAC approved Program Guidelines for ADCs sets the goals as familiarizing leaders with democratic values, developing trade and investment relations and increasing use of U.S. technology. The definitions have much in common.

In Brazil, cooperation in science and technology has been the centerpiece of the AID program. More recently, Brazil has been pressing within its own agenda for a narrow directing of its S&T program toward short term export production to the exclusion of both the sub-structure and social considerations related to sustained technological advance. This has been accompanied by a myopia as regards business and political relations with the outside world. A secondary effect has been an ever lessening concern about internal social priorities.

The implications are that the AID program in Brazil should emphasize two types of activities: (1) participant training for technical leaders and managers, but because of limited resources, focused upon the substantive priorities of the program; (2) stimulating awareness, energies and action about needs, again aimed at the substantive priorities of the program.

This introduces a second shift in program direction made essential by the small level of discretionary resources: select the fewest number of themes practicable and coalesce support around modest, continuing interventions.

AID Rep, in consultation with the country team, proposes to direct work in science and technology toward social priorities. There is U.S. comparative advantage and high return to Brazil and this is a politically acceptable and effective avenue to stimulate public awareness and institutional response contributing to stability. In selecting the themes, however, AID's modest posture in Brazil has been determinative. Education, agriculture and rural land reform, public administration, for example, have not been picked; the scale of entry is too big. Family planning is essential because of long term, historic involvement of scale and because there is an especially critical present opportunity. Other health priorities are a natural complement. Chosen because of an outrageous result (infant mortality in the northeast) and because of uncontrolled risk (AIDS), they will serve to increase sensitivity about and confidence in commitment to social exigencies. Finally, the overriding U.S. interest in environment (and more recently in population and environment), make modest public awareness and education activities in agro-forestry and urban environment appropriate.

Missing from this description are themes also shown by the ADC strategy statements to be desirable in Brazil, but for which resources have not been found: work with micro-enterprises in the informal sector, a cornerstone for defending stability and maintaining private contribution to democratic values; drug awareness, especially accomplished with cost effectiveness through community programs facilitated by family planning organizations; and administration of justice (which is intimately related to quality of life of the predominantly young urban poor).

AID Rep holds strongly to the idea of limiting the number of themes in the program. Funds for participant training are being gradually concentrated on the selected themes. Note, however, as the activities of the U.S.-Brazilian Commission on Science and Technology unfold, occasional participant training related to topics adopted will be considered.

### III. THE PROGRAM

#### A. Family Planning

##### 1. introduction

There was a shocked awakening in population circles when the DHS (Westinghouse - BEMFAM) contraceptive prevalency study for Brazil completed in 1987, revealed that 65.3% of women in union, 15-44, practice some form of contraception. Note: only beginning to emerge is a realization that other significant considerations relating to quality and continuity require diligence:

-- the 35% of women left unserved represent more than one third of the target population in South America;

-- there are quality issues of great concern - lack of method mix, misuse of non-barrier methods (misuse, abandonment, counterindication on pills, excessive promotion of caesarians related to female sterilization, uneducated use of natural methods);

-- the opportunity just emerging to shift from relatively high cost client service approaches to cost effective market and collective audience methods will be lost;

-- the sustainability of most service organizations is several years away from maturation, but maximum emphasis is going to this theme;

-- the recent, first opportunity to develop a relation with the Government and a place for family planning within public health services must be pursued and will take some time.

This introduction has two purposes: (a) to address the strategy issue of why resources should continue to be transferred to population programs in ADCs; and (b) to anticipate, in the face of shrinking overall resources, the natural bureaucratic bent to award need not results. Let's examine what is being accomplished and where the Brazil program still needs to go.

##### 2. principal findings of the Brazil evaluation/strategy

For the first time in ten years, a program wide evaluation for Brazil was conducted July-Aug., 1987 using leading in-house central and geographic bureau talent. The evaluation brought forth the reasons why continued work in Brazil is needed for several years, while stressing the changes necessary to prepare for earliest practicable assumption of program costs within Brazil. Key findings were:

a. although prevalency was high, there was unevenness and need to concentrate resources on the underserved: N.E. Brazil, the slums of Sao Paulo and Rio de Janeiro, young adults and men;

b. Brazil is essentially a two method country: female sterilization and pill; there were serious quality issues related to both lack of options for women and misuse and abandonment of pills; also to be mentioned is excessive number of abortions, too frequently under unsafe conditions with high rates of complication;

c. there is need to expand training related to family planning in the curriculum for doctors, nurses, nurse aids, social workers, psychologists, pharmacists, etc.;

d. the unavailability and high cost of condoms are a major problem urgently needing attention; concerns about AIDS have elevated the issue while perturbing the method mix in community based service programs;

e. sustainability of family planning organizations is a major concern not given adequate attention;

f. with the potential for opening of relations with the public health authorities at the federal and state level, more attention by family planning organizations should go to policy dialogue and relation building;

g. biomedical and operations research activities should be sustained focusing more directly on questions related to the above noted topics; and

h. closer collaboration among cooperating agencies (CAs) and Brazilian PVOs and between the two groups should be fostered; the locus of planning should shift to Brazil.

### 3. noteworthy accomplishments to advance the strategy

a. In Dec. 1987, AID used the occasion of the annual meeting of the Brazilian Association of Family Planning Entities (ABEPF - a membership society of local entities practicing family planning) to bring together the PVOs being assisted and the CAs to review the strategy and make the desired cooperation a reality;

b. a major effort related to sustainability was organized with collaboration among four CAs primarily (MSH, Enterprise, Pathfinder Fund and Development Associates) assisting directly about 8 PVOs and reaching a larger number through seminars and training programs;

c. a management evaluation of ABEPF was conducted, which coupled with ABEPF's own long term planning and subsequent in-house reviews has led to a new specification of direction now seeking the means to be implemented;

d. BEMFAM (a national scale, diversified family planning entity) has considerably elevated its efforts in the policy and Government relations area, has sought to run with the strategy recommendations on service modification and sustainability;

e. a social marketing program, initially for pills (and accenting quality as well as increased sales) was initiated;

f. significant events have been organized and/or conducted regarding young adults (surveys, manuals, start-up of training programs);

g. preliminary identification has been made of activities related to AIDS which family planning organizations may conduct building on work in STD prevention; a few initial educational and condom distribution interventions have occurred; and

h. arrangements have been made for a FAPID III: Population and Environment Model for Brazil and for educational exchanges with state officials and with newly elected mayors.

4. where the program is heading; next steps and benchmarks;

Resource transfers for service will be reduced. Support for other than underserved areas will be phased out; increased reliance will be on more cost effective ways to reach consumers at points of concentration; benchmarks are to eliminate support for non-targeted service programs within two years; to expand social marketing of pills to reach 7.5% of lower income potential clients in the selected cities within two years (a social marketing effort for condoms is also a priority, but it is blocked because a source of condoms which may be sold is lacking); to introduce services in places of employment, HMOs, unions independent contractors (truckers, distributors), military police and military; quantitative targets cannot yet be set.

Sustainability will be the area of most concerned effort. Especially targeted to PVOs, included will be : improving internal performance (better use of MIS, cost containment, cost effectiveness), increasing recovery for some services (note: in Brazil, there is a strong Government policy of free public health care), generating revenue through payments or contributions by employers and private donations, income gained through new users for proven capacities (training, technical assistance, I.E. and C. materials), diversifying into new revenue producing activities (ultra-sound, laboratory analysis, specialized medical services (andrology, infertility), wholesaling of medical products to small health service consumers, etc.). Currently, USAID is the only major external donor in the family planning field.

A major goal will be to develop a business relation with the unified public health system to be formed under the new constitution (thereby also gaining access to other donor sources, World Bank, UNFPA, IDB, etc.). The work with the Government, for the first time is a real, yet uncertain opportunity (MOH leadership could change, implementing legislation is still needed for constitutional provisions); the time frame cannot be predicted, but is of overriding importance as regards sustainability of prevalence as well as organizations.

More attention will be given to improving the method mix and addressing quality issues. The principal topics are: broadening the effective availability of diverse methods, especially through community health posts; increasing condom availability at reasonable cost and promoting expanded

use; increasing use and acceptance of IUDs, especially in N.E. Brazil (and including training and promotional efforts for doctors); better understanding and more effective actions to redress pill use with counterindications and elevated rates of abandonment; and modestly expanded support for natural family planning through CENPLAFAM (Center for Natural Family Planning).

A variety of efforts will be initiated/expanded to bring assisted family planning activities in closer linkage with Government programs. First will be expansion of efforts by key PVOs in policy exchange and public relations, especially with legislators and health officials at the federal and state level. Larger scale cooperation, along the lines that BEMFAM is pursuing with seven of the northeast states, will be complemented with demonstration and work to incorporate within state health programs of models, e.g., the Project HOPE casa de parto (birth house), gynecological cancer screening system introduced statewide in Parana by CLAM (Londrina Center for Assistance to Women).

Pre-service training will be expanded, particularly by inclusion of family planning in existing health curricula. Work with professional associations will be an important new element for doctors. For nurses and nursing aides, activities will remain limited to training and follow-up with nursing professors in a few selected institutions.

New activities will be introduced or built upon existing services to reach young adults, men, AIDS prevention and possibly drug awareness efforts in educational campaigns (if non-POP funding can be obtained). Young adult surveys, pedagogic materials, training for health professional, teachers and parents, educational programs with the military and military police, expanded promotion campaigns for vasectomy, AIDS interventions along lines outlined below, and use of community based education programs for drug awareness illustrate the activities which are contemplated to the extent which resources permit. Note: there are areas shown by the evaluation/strategy to have not received adequate attention: they will be pursued with specific organizations giving careful attention to not upset progress of work on financial sustainability.

## B. HEALTH

### 1. Child Survival/Well Motherhood in Northeast Brazil

Infant mortality in Northeast Brazil averages 105 per thousand compared to 60 for Brazil. Why attach urgency to this problem when there are so many unwanted children, so much migration of persons to aggravate conditions in overcrowded cities? A response is that how one goes about reducing infant mortality and reproductive risk is critical to impacting upon population and environment issues.

The proposed activity builds upon work begun a generation ago by a pioneer in reproductive medicine. He developed the TBA-staffed birthing houses (casas de parto). The casas emerged in villages which were prepared to commit the community effort to make them viable. From this beginning, with assistance from the Kellogg Foundation, came PROAIS (Program of Integrated Women's Health Assistance). PROAIS is a linking of the Federal University of Ceara (UFC) and SAMEAC, a Brazilian non-profit health organization, thereby creating a management unit to systematize and supervise the assistance. The objectives are to:

1. provide low-cost, effective health services to peri-urban and rural women not covered by existing health services, thereby reducing burden on secondary and tertiary health facilities in urban centers;
2. emphasize preventive services for common health problems as the most effective health investment;
3. utilize community based services instead of State health services as the only realistic means for bringing health care to the poor, especially rural population.

A factor which has strongly reinforced these premises is the health care model prevalent in Brazil which is dependent on physicians, even though their distribution in rural areas is minimal.

When AID intervened two and a half years ago with the People to People Health Foundation (Project HOPE, hereafter HOPE), child survival activities were added to the casas de parto. Today there is a network of 30 casas in and around Fortaleza (up to 120 km distant). The Child Survival Activity, VIVA, and PROAIS are fully integrated in the field and in planning and supervision, although having separate administrative identities within UFC.

Last year's review of a draft CDSS for Brazil raised two concerns about continuing this activity:

- a. should AID support recurrent service costs in an ADC program?
- b. should AID continue involvement in a program from which it may be difficult to extricate itself in relation to both the Brazilians and the U.S. PVO?

These questions were examined during the brief visit by AA/LAC and Director, LAC/SAM in March 1988; two constructive suggestions were made regarding what may be the justification:

- i. elevate the sustainability issue seeking solutions within Brazil with important lessons for other countries;
- ii. complement the services with research yielding benefits for the wider third world.

#### principal findings of the evaluation

An external evaluation was conducted in May 1988. The consultants found that there was a significant drop in infant mortality in the project area; while they could not disaggregate the causes, the project was performing well and having a recognizable impact. The project was effectively managed; the MIS system put in place was performing well; field performance was consistently of high quality with strong community support (including 48% of local service delivery costs). There is need to augment Brazilian leadership within the project (too much dependence upon the U.S. project director); to give field workers more feedback and sense of involvement with the information collected (newness of the activity) and to increase staff capacity in project development and administration. The consultants recommended continuing support and developing the project into a model for application within State health services throughout the Northeast.

#### action proposed

AID Rep is requesting ad hoc delegation of authority to amend the existing project to: increase LOP funding from \$1.1 to \$1.27 million (\$280,000 will remain: as of 9/30/88, the combined funding would permit continuation for one year); to extend the PACD by 18 months (12 months bridging time plus allowance to complete activities on-going); and to modify the project definition to include development of a model for use within northeast Brazil and design of a follow-on project.

The new project would be predicated upon more broadly based support both from external sources and within Brazil. It would seek to accomplish three main goals:

1. demonstrate performance of the model within an appropriate rural sanitary district; address sustainability issues within the model and assist the SSOH to confront sustainability issues in seeking to apply it within other rural sanitary districts;
2. through the project nucleus, improve performance in technical areas, supervision, management, training techniques, etc., as well as developing capability to support technical and operations research in areas of comparative advantage; the project nucleus should bring credibility to work with the model, both as regards facing the practical obstacles to its being incorporated into the public health system and in attracting support; and

3. attract research in areas of comparative advantage with specialized centers (e.g., AID central research contracts) and with the development of a research base, gradually introduce training opportunities which will become possible.

The next twelve months will be used to lay the foundation for this project.

what makes this opportunity important

The Brazilian Constituent Assembly voted new health provisions for the constitution in May 1988. There is to be a unified public health system. Private practitioners may continue to receive patients and provide contract services to the system, but may not receive grants. Grants can go to universities and non-profits. The interest of the new leadership in MOH in working with the latter institutions makes this opportunity real.

There are resources. The Brazilian social security budget (80%), MOH (20%) plus external donor assistance (World Bank, UNFPA, IDB, possibly PAHO) aggregate to a respectable sum if redirected. Channeling more of these resources to the poor and for rural areas is a reasonable expectation if there is concerted effort. Developing appropriate models and doing innovative work on how they may be used, helping private or private-public linked institutions who can defend their place while stimulating change, there are catalytic steps which an ADC program should foster.

legal considerations

Project HOPE is an acceptable pvo under the Glenn-Symington exception, S. 123 (e), FAA; the activity is a logical continuation of child survival work begun prior to 1983. What has been blocked until now is complementing the HOPE work with centrally funded technical research. Note: doing research through HOPE on Vitamin A was determined in FY 1987 to be acceptable.

In 1988, a second exception to the prohibition against assistance to Brazil was opened. Section 588 of the FY 1987 Continuing Resolution amended the Foreign Assistance Act to allow for "training" in Brazil. This has been interpreted by GC to mean that a broad definition of training, but only training, was intended. A careful assessment of the components of research associated with low cost, appropriate health service delivery will show that a considerable component of research costs are for training of personnel.

Therefore, the following steps are proposed to accomplish the project scope while abiding by the legal requirements; considerable reliance is placed on parallel funding:

a. financial support is solicited from numerous external donors and from Brazilian institutions;

b. part of the grant funds by IAC to HOPE and of HOPE's contribution to the program, would be earmarked for research so that HOPE will be able to match finance or fill funding gaps to permit the research agenda to conform in with the work plan and priorities established in the interim project;

c. AID central contracts will be invited to participate with central funds; these will be used for "training" cost components only; there will not be buy-ins; instead parallel financing will cover the contractor's costs for all other components of the research work;

d. legislative relief will be sought from the prohibition against assistance for child survival activities.

2. AIDS

AIDS is a program priority in two respects: the seriousness of the problem within Brazil and the importance of Brazil in relation to the U.S. efforts to reduce an epidemic disease threat to the U.S. and other nations. Information is lacking on the extent, rate and pathway for transmission of the disease. The MOH cooperates closely with WHO and PAHO and has instituted a reporting system following their guidance. While the amount of underreporting is considerable, there are presently about 3,100 reported cases and a doubling rate of 12 months. This is sufficient to make Brazil the 2nd or 3rd country in the world in reported cases. Several features about Brazil warrant mention:

- Brazil represents a different model for AIDS transmission than Europe/North America or Africa (\*), especially valuable for studying heterosexual transmission;
- 76% of Brazil's reported cases are from Rio and Sao Paulo; the research institutions in these cities offer excellent opportunity for linkage with U.S. organizations;
- Brazil will commit its own resources and attract support from others (e.g., \$2 million from the World Bank, N.E. Epidemic Disease Project) to battle AIDS;
- Brazil's large market makes feasible the private production and marketing of products and services;
- constructive private sector participation in confronting AIDS may be accomplished by linking Brazil's family planning network, AIDS advocacy PVOs and private firms and collaborating with Government..

The principal problem in approaching this theme has been the legal restriction placed upon AID's activities in the Foreign Assistance Act. There is the possibility of working through family planning organization for the continuation of work to reduce spread of sexually transmitted diseases. Also, under the exception introduced by the FY 87 Continuing Resolution, training will be allowed.

(\*) In Brazil there is a 14/1 sex ratio among confirmed cases; over 14 males: 50% homosexual, 25% heterosexual, small percentage IV drug abusers, 3% blood transfusion; over 14 women: 36% blood contamination, 32% IV drug abusers, 26% heterosexual transmission.

13.

This scope for action is sufficient to permit some important, discrete activities, but precludes a program design responding to the comparative advantages indicated above. Therefore, the strategy for Brazil in the medium term is to begin with the types of activities illustrated below, while seeking legislative relief. service personnel, consultant, personnel officials and supervisors, pharmacy employers, etc.

activities to date

Family planning organizations do extensive community education work on family planning and other well motherhood themes; the level of activity related to reducing sexually transmitted diseases, including AIDS has increased greatly. These programs have also been the first step toward increasing demand for condoms among lower income groups. They have been coupled with efforts to increase the use of condoms within the family planning method mix, with such success that the growth of demand is pressing the limits of these organizations' capability to supply condoms. Since condoms produced locally are insufficient for market demand and price is high, there has also been effort to encourage local production.

Community based health workers are being trained in what they should know and what they should transmit to other about AIDS. Informational materials have been prepared and distributed through family planning programs, through schools and workplaces and through print media. With assistance of Population Communications Service, a manual is being prepared by ABEPF; ABEPF also organized discussion groups following the telesatellite transmission of the Latin Regional AIDS conference in September 1987, chose AIDS as the theme for their December 1987 annual meeting and is preparing a synthesis of lessons for social organizations. BEMFAM, who made the initial breakthrough in working with commercial media organizations, is also assisting associations related to high risk groups to improve their effectiveness in member education and is experimenting with bringing educational messages into the workplace.

Note: Given the importance of the AIDS problem in Brazil, additional Central and Bureau resources would be forthcoming if there were a comfortable legal environment and an understood/acceptable program content, whether or not there is legislative change.

illustrative activities for the near future

1. community education programs on STD/AIDS;
2. condom distribution through community education, family planning services and work with professional and social group associations;
3. innovative efforts by family planning organizations to improve marketing of condoms through commercial outlets and to facilitate access by institutions whose interest is to protect segments of the population (employers, military, fraternal societies);
4. introducing family planning and STD/AIDS preventive care with health maintenance organizations and enterprises;
5. participation of family planning organizations in a network of private groups cooperating with the MOH on educational activities to reduce spread of STD/AIDS;

6. operations research by family planning organizations on effectiveness of I.E. and C. materials on changing comportment in diverse environments;

7. training for health service personnel, counselor, personnel officers and supervisors, pharmacy employers, etc.

**C. Environment**

**1. agroforestry**

USAID has supported, via matching grant, the work of the Conservation Foundation collaborating with the World Wildlife Fund to promote management of forest resources in Brazil. They have been active in both research and fostering dialogue between interested -- and often opposing -- parties concerned with the economic and environmental consequences of deforestation in the Amazon and Atlantic Coast forests. Activities to date include:

1. assisting the Tropical Forestry Program in the State of Acre to promote rational planning for use of the state's forestry resources;

2. sponsoring a conference by the Tropical Forestry Program, Acre, on Amazon Development (Feb. 1988) which permitted leaders from the various Amazon States to discuss environmental issues among others;

3. collaborating with the Technical Foundation of the State of Acre, the Brazilian Association for Technical Cooperation and the International Tropical Timber Organization to develop a sustainable forestry model project to be implemented in a 100,000 hectare forest reserve in Acre;

4. supporting diverse research projects of the Tropical Forestry Program on ecologically sustainable forest management, for example, working with the Companhia do Vale do Rio Doce to evaluate the ecological and silvicultural characteristics of four nature timber species (note: work with this important parastatal also allows penetration of ideas to its policymakers); and

5. assisting the Pro Nature Foundation (FUNATURA) to convene a policy dialogue group to assess the public policy aspects of Amazon Forest Management.

For the future, four lines of activity are contemplated:

a. amplify the policy dialogue and formation of a network of organizations interested in tropical forest protection through FUNATURA;

b. organize a series of meetings through FUNATURA on efficient utilization of agricultural areas that are already in deterioration;

c. continue research and seminar activities under the Tropical Forestry Program and with other interested organizations; and

d. possibly develop linkage between one or more universities in the tropical forest regions and a U.S. university on development of environmental content within courses at the University; this would be complemented by expanded participant training and exchange professors (Fulbright and/or USIS).

administration of city improvement programs which is credible in attracting resources yet retains decentralized program responsibility, and making community involvement effective in planning and following through on urban improvements. There will be a fourth day, also sponsored by CF, but organized by Rio's lead researcher for New York University's "Megastrategies for Megacities" project (Megacities), which looks at preservation of the physical and human condition of Rio to the end of the century and mobilizing energies to meet the needs identified.

Out of the urban planning seminar it is hoped to make possible continued interchange among some participants as regards two future avenues of work: (a) expression of a message on urban issues which may be carried to the newly elected mayors; and (b) laying the groundwork to facilitate preparations by the InterAmerican Development Bank for a small and medium cities program (AID will not be involved in any investment in pilot or demonstration activities; perhaps it will be possible to be a catalyst in bringing others to play this key role).

A second seminar, also to be in Rio de Janeiro, Oct. 4-6, will be organized by the AID Regional Housing Office in Quito. The theme will be cooperation among critical segments of the economy (community, all levels of government, finance institutions, private sector social organizations) on providing shelter for the poor. It will bring in participants from all over Latin America. The Megacities project will play a key role, looking at innovations in megacities applicable to large cities (complemented by innovations in specific large cities). Again, a fourth day will be added focused on Rio: cooperation among segments of the society on shelter problems and on other priority concerns.

Participant training, south-north visits and collaboration with USIS and Fulbright on visiting professors, leaders in special areas and use of ARNETS will complement the above items.

3. the special problem of metropolitan Rio de Janeiro, a city at risk of serious decline and perhaps the focal point for confronting urban decay as a threat to stability, is a difficult and as yet unevaluated priority.

The add-ons to the two seminars are a first step. Also, following on the emergency assistance, through Partners of the Americas, a modest effort will be made to synthesize lessons learned from the flood to prepare for future emergencies. The idea has two components: (a) identify some areas wherein emergency preparedness may be facilitated and some early training needs, classify some remaining risks and particularly those most affected by them, and gain appreciations from lessons learned as regards reconstruction and new investment; and (b) draw forth during the exercise an informal nucleus of public and private individuals, for Rio city and possibly for Petropolis, who would remain cognizant and could dialogue with business and government interests about concerns raised.

It is desired, too, to facilitate two other needs: mobilizing those who can make a difference in the life of Rio to come forth and finding an association or network through which energies may be channeled. These themes are at the incipient stage. The timeliness of work on metropolitan Rio, if a response occurs, would afford a laboratory and a point of focus to heighten interest in urban issues, the area where AID Rep believes Brazilians are most likely to accept social involvement.

#### D. Participant Training

The return on investment in Brazilian participants is high. Expanding the number is in the U.S. interest. Perhaps AID should join forces with private foundations and multi-nationals to make possible more exposure for political and technical leaders to other values and to excellence in research and application of technology. The reality is that participant training is straightlined at \$400,000 per year.

Two decisions have been taken to improve the effectiveness of these limited resources: (1) gradually focus the selection of participants on the focal themes of the program; and (2) in few areas, develop links with U.S. universities to provide continuity for specific programs and to permit parallel support through USIS or the Fulbright Commission to afford North-South visits and educational exchange. Initially identified are:

- a. a long term relationship between a U.S. university with strength in public health and extension and UFC (Fortaleza);
- b. a locus for participant training related to urban environment;
- c. collaboration between the Conservation Foundation and a U.S. university for participant training and interchange with a small number of Brazilian universities in agro-forestry.

The health and environment accent of the AID program also leads to reconsideration of the prior insistence on post doctoral study. The 3-6 months up to one year study period will be retained, but a larger number of candidates with masters degrees is anticipated.

Note, too: there is need to accommodate within the Brazil OYB a small increase in availability of financing for short term training and visits to the U.S., because of the many excellent opportunities being offered in the areas of program focus.

#### E. Other areas

##### 1. disaster preparedness

AID's office of Foreign Disaster Assistance agreed in FY 86 to assist a Disaster Preparedness Training Center with emphasis on floods in Santa Catarina (for the southern states). This activity - emphasizing involvement of the private sector - and the flood disaster relief in Metropolitan Rio de Janeiro have opened a modest opportunity where Brazil is disarmed. The work will be accomplished with Partners and has close relation to the urban environment theme.

These activities (\$1.2 million over a three year period) are generated because Brazil is an area offering comparative advantage for work on a central research theme or because collaboration between individual Brazilian and U.S. scientists merits independent research support. At present, most of these activities fall outside the themes selected for the strategy focus. AID Rep will seek increasingly as the program becomes more tightly knit to generate proposals for both S&T and the Office of the Science Advisor in the areas of concentration.

. 3. Esperanza, IESC

Esperanza only receives AID support for Brazil through the American Schools and Hospitals Program plus occasional funding for technical assistance from the FVA Bureau through PACT. The vast majority of their funding is raised privately. It is a center of excellence in health service delivery in a poorly served area of Brazil, the North. Situated in Santarem, halfway between the estuary of the Amazon at Belem and the region's principal city, Manaus, the services began with a boat providing outreach to a remote population and a central clinic. Today, there is a health system which is expanding to meet the needs of a growing urban center. Esperanza is also considering assistance in the future to a network of small social service organizations throughout the North to help them improve procurement, administration and services. This is the kind of organization that the AID strategy is encouraging so that by example and through closer relation with the public health system it will accelerate primary health care reform.

The International Executive Service Corps, IESC, is supported through a central grant and through a grant from Brazil to reach smaller enterprises. When it became clear that stimulation of smaller company requests was difficult in the present economic crisis, attention was turned to companies in social services, especially health. It is too early to measure the potential return. There is no present indication that there will be resources for future work in the small and medium enterprise area.

4. PVO networks for social services to slum populations

The interest of Esperanza in assisting development of a network in the North is noted above. A second and major opportunity exists in Sao Paulo. Knights of Malta, who run an excellent health center serving a favela population on the southern periphery would make a considerable effort to foster a network but will need to share the workload with a group with complementary skills and like quality and commitment. The opportunity, again, is to build social service organizations which may defend a role for themselves and develop constructive relations with public services. AID's role would be limited to being a catalyst and facilitator of start-up.

5. training for Africans in Brazil

This activity was initiated at the request of the Africa Bureau. Originally targeted to university education, the decision has been taken to begin with a careful demonstration. Initial activities will be in family planning organized by U.S. cooperating agencies specialized in training, with Esperanza in primary health care and with the Brazilian Institute of Municipal Administration in urban planning and municipal administration. If successful, consideration will also be given to a linkage between a U.S. land grant university and EMBRAPA, the Brazilian Agricultural Research Center, a Government agency, for training in soil management, food crops research, etc.