

Toward a Brazil–U.S. Binational Institution

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- Brazil and the United States enjoy a strong relationship, which includes cooperation in various areas, including trade, security, education, science and technology, and more. However, the current level of exchange in these areas does not accurately reflect the strategic importance of the relationship for the two largest democracies and economies in the Western Hemisphere. The creation of a binational organization would advance and institutionalize the Brazil–U.S. relationship by promoting innovative ways of thinking and inviting a new, collaborative, and transformational approach to partnership development.

INTRODUCTION

Brazil and the United States have enjoyed a strong, longstanding diplomatic relationship that presently includes cooperation on issues such as trade and investment, security, defense technology, space exploration, 5G infrastructure, the environment, and education. However, the current level of exchange in these areas does not accurately reflect the strategic importance of the relationship for the two largest democracies and economies in the Western Hemisphere. Brazil and the United States need an institution on the scale and impact of the [German Marshall Fund of the United States](#) (GMF) or the [Luso-American Development Foundation](#) (FLAD) to deepen, catalyze, and sustain strategic partnerships among their civil societies, public sectors, and private sectors. The creation of a binational institution to advance the Brazil–U.S. relationship would demonstrate each country’s importance to the other and allow for additional

avenues of cooperation and collaboration beyond those already established. Moreover, the Brazil–U.S. binational institution would be the first entity to cover such themes as sustainable development, entrepreneurship and innovation, social business, impact investing, and corporate social investment as part of its strategic focus to promote economic growth, create jobs, and encourage sustainable development for both countries.

The creation of a binational organization would advance and institutionalize the Brazil–U.S. relationship by promoting innovative ways of thinking and inviting a new, collaborative, and transformational approach to partnership development.

A binational institution for Brazil and the United States would foster stronger ties at the micro and macro levels, from local organizations and primary schools to universities and federal governments. The exchange of expertise and best practices in various areas—including academia, philanthropic organizations, and civil society—would be invaluable in furthering effective economic development and increasing each population’s knowledge in relevant sectors. Additionally, as two regional powerhouses, Brazil and the United States have a unique ability to effect policies and implement programs that have national, regional, and global impacts. Such an institution would reinforce diplomatic ties between the two countries, allowing for stronger positioning on regional issues.

A state-of-the-art binational organization, created in partnership with both the Brazilian and U.S. governments and their philanthropic and private sectors, would deepen the two countries’ relationship and foster a more collaborative and fruitful association. It would aim to deliver value-added results to its members and partners by working with local communities who have expertise and knowledge of the region and tapping into new areas such as the bioeconomy and sustainable development to create jobs and modernize the work being done by both countries. Such an institution would offer opportunities for universities, investment firms, private-sector entities, and local organizations in Brazil and the United States to co-create, co-design, and co-invest in common identified programs and projects while inventing creative solutions for each country’s main development challenges.

This brief will provide an overview of the Brazil–U.S. relationship, identifying areas of current bilateral cooperation. It will then justify the need for a binational institution and highlight examples of similar organizations. The authors will outline what such an

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institution would look like, examining possible areas of collaboration, governance and leadership structures, and fundraising strategies.

CURRENT BRAZIL–U.S. RELATIONS

Brazil and the United States collaborate on a variety of global issues, of which trade is the most prominent part. The strong Brazil–U.S. trade relationship is worth around **\$100 billion** annually, making Brazil the United States’ **fourteenth largest** trade partner and the United States Brazil’s **second-largest** trade partner as of 2019. The United States is Brazil’s main investor, and Brazilian investments in the United States **grew** 356 percent between 2008 and 2017, reaching \$42.8 billion. Currently, both countries have regular exchanges at the working level to improve cooperation on trade, commerce, and energy and are **exploring** the possibility of opening Free Trade Agreement (FTA) negotiations as well. The revival of the **U.S.–Brazil CEO Forum** and the October 2020 adoption of an **updated** agreement on trade and economic cooperation demonstrate both countries’ desire to deepen bilateral economic cooperation, improve coordination between public and private stakeholders, and promote mutual prosperity. The two countries are also major sources of visitors to each other and have recently committed to measures that increase ease of travel, including Brazil’s elimination of visa requirements for U.S. tourists in March 2019 and the ratification of an open-skies agreement in May 2018.

The two countries also have an important defense relationship, as evidenced by the U.S. administration’s decision to **designate** Brazil a “major non-NATO ally” of the United States in 2019 and the signing of a bilateral **agreement** on Research Development, Test and Evaluation Projects (RDT&E) in March 2020. Brazil and the United States have a long **history** of military cooperation and continue to **conduct** joint exercises, share best practices, and cooperate on regional and global security efforts, including **counterterrorism** and **counter-narcotics operations**. Today, there are regular meetings at the working level to discuss the bilateral defense partnership. In 2019, the two countries established the **U.S.–Brazil Technology Safeguards Agreement** to protect sensitive U.S. space and defense technologies and support the commercial launch of U.S. space vehicles from the Alcântara Launch Center; this was followed by an agreement between both countries’

national space agencies. Brazil was also invited to sign the National Aeronautics and Space Administration's (NASA) **Artemis Accords** and collaborate on its mission to send the first woman to the moon by 2024.

The U.S. Agency for International Development (USAID) and the Government of Brazil also have a longstanding relationship, which in 2014 transitioned from development assistance to a bilateral “strategic partnership” in recognition of Brazil’s capacity to be more than just an aid recipient. Today, the partnership mainly focuses on sustainable development and biodiversity conservation in the Amazon and on **trilateral technical assistance** to third countries in Latin America and Africa. In December 2017, USAID/Brazil, together with twelve private sector companies, launched the **Partnership Platform for the Amazon** (PPA), a collective action platform for promoting the sustainable development of the Amazon basin while conserving its biodiversity. As a result, in 2018, the PPA created its own Acceleration Program, which has since incubated and invested in **30 Amazonian startups**.

Finally, there is a growing relationship in the field of education. As of 2019, Brazil is the **ninth-largest source** of international students in the United States. Education and cultural exchange is promoted between the United States and Brazil through such organizations as the **Fulbright Commission**, whose language-based efforts are supplemented by other binational organizations—including **BrazilFoundation**, **EducationUSA**, and **+Unidos**—that promote young Brazilians’ professional and educational development.

BILATERAL RELATIONS OUTLOOK

The advances in trade, security, sustainable development, and education referenced above demonstrate both countries’ commitment to a close and meaningful partnership. Though prosperous, the current level of exchange can be elevated even further to reflect the strategic importance of Brazil–U.S. ties.

In the past, when other countries have transitioned from being recipients of U.S. aid to becoming major trade partners and defense allies, the United States has institutionalized those relationships and expanded their scope, setting up organizations like **GMF** and **FLAD** to promote economic, defense, social, cultural, and educational exchanges and collaboration. No such organization currently exists to catalyze the Brazil–U.S. relationship. Instead, cooperation on these key issues

is conducted through multiple organizations, such as the **Brazilian-American Chamber of Commerce** and **BrazilFoundation**, that have narrower mandates and varying levels of coordination with each other.

There are many benefits to setting up a binational organization to institutionalize the Brazil–U.S. relationship. Establishing a permanent entity—one with a clear mission and governance structure, as well as mechanisms for promoting the development of strategic partnerships and exchanging experiences and best practices—would make the bilateral partnership more stable and robust. Its significant **advantages** would include:

- A central coordinating body that can use a long-term perspective to create new, cross-sector partnerships between existing programs;
- Political independence from any particular administration, enabling it to deliver tangible results despite changes in government;
- The incorporation of corporate social responsibility into investment strategies, including in areas of social business, social private investment, sustainable development, impact investing, social entrepreneurship, and innovation;
- Stronger Brazilian ties with U.S. strategic industries, which will support Brazil’s ongoing modernization process, economic reforms, and attempts to attract foreign investment; and
- Reinforcement of U.S. foreign policy goals in the Western Hemisphere.

Not only would such a relationship strengthen bilateral ties it would also pave the way for greater regional coordination and integration.

COMPARABLE BINATIONAL ORGANIZATIONS

There are several existing organizations that foster exchanges and collaboration between the United States and its partners. These include GMF for Germany, FLAD for Portugal, and the Costa Rica United States Foundation for Cooperation (CRUSA). The following brief analysis of these organizations may be useful in determining how to set up an organization to strengthen Brazil–U.S. relations.

German Marshall Fund of the United States

Background: The German Marshall Fund of the United States (GMF) is a non-partisan, nonprofit organization with headquarters in Washington, D.C., and offices across Europe. The fund was founded in 1972 through a grant from the government of Germany. Its mission is to continue the work of the U.S. Marshall Plan by deepening cooperation between the United States and Europe, with a focus on policy, leadership, civil society, and research.

Programming: GMF programming—both implemented by GMF and via grants to partner institutions in the United States and Europe—includes bringing together policymakers and stakeholders, conducting research on key topics, and providing fellowships and leadership training for young leaders across member countries.

A key program within GMF is the Balkan Trust for Democracy, a public-private partnership created in 2003 by GMF, USAID, and the Charles Stewart Mott Foundation with the goal of supporting democracy, good governance, and integration in southeastern Europe. The Balkan Trust's priority areas include civic engagement, youth leadership and empowerment, government accountability and transparency, and dialogue and reconciliation.

Structure: GMF's executive leadership consists of representatives from both Europe and the United States, with a Board of Trustees that is primarily comprised of U.S. representatives. In addition to the initial endowment from the German government, the institution now receives funding from individuals, foundations, corporations, and U.S. and European government agencies.

Functions: GMF is a central player in the transatlantic relationship. It allows for greater coordination between the United States and Europe as a whole and facilitates exchanges at both the regional and international levels. In addition to the aforementioned programming, GMF hosts the annual Brussels Forum, which serves as a platform for high-level dialogue on issues ranging from defense partnerships to great-power competition.

Costa Rica United States Foundation for Cooperation (CRUSA)

Background: The Costa Rica United States Foundation for Cooperation (CRUSA) is a private, binational, nonprofit foundation based in San José, Costa Rica. It was established by Costa Rican and U.S. business and political leaders in 1996, drawing on a \$47 million endowment from USAID after it closed its local office that year. The foundation's mission is to continue improving quality of life and sustainable development in Costa Rica.

Programming: CRUSA has supported hundreds of projects within Costa Rica through grants, training, and information sharing, working with both Costa Rican and U.S. institutions across three main categories: climate change, philanthropy, and human capital. For example, in 2000, CRUSA launched Amigos of Costa Rica, a U.S.-based organization that connects donors to vetted nonprofits throughout Costa Rica.

Structure: CRUSA's administrative board consists of six representatives appointed by a combination of Costa Rican political leaders and the foundation's Assembly of Founders. The assembly—responsible for preserving the foundation's endowment fund and ensuring its goals are met—consists of an equal number of Costa Rican and U.S. citizens. To supplement the initial endowment, which has since grown to \$65 million, the foundation also accepts donations from the private sector in both countries.

Functions: The foundation is seen as a critical actor in the U.S.–Costa Rica partnership. The plurality of direct U.S. government engagement with Costa Rica today is concentrated in the defense, conflict resolution, and security sectors; CRUSA fills the cooperation gap on issues such as education, development, science, and innovation by connecting stakeholders in both countries.

Luso-American Development Foundation (FLAD)

Background: The Luso-American Development Foundation (FLAD) is a private, binational, nonprofit organization based in Lisbon, Portugal. It was established in 1985, with the Portuguese government providing an endowment of \$38 million, supplemented by U.S. resources agreed upon in the 1983 Exchange of Notes between the United States and Portugal on Defense and Economic Support. The foundation's mission is to promote Portugal's economic, social, and cultural development by deepening relations with the United States.

Programming: FLAD supports a wide range of bilateral programming in the United States and Portugal, focusing on four main areas: 1) education, science, and technology; 2) culture and Portuguese-American heritage; 3) public policy and administrative reform; and 4) civil society and innovation.

Structure: The executive board consists of several U.S. and Portuguese representatives who are appointed by the Portuguese prime minister. To supplement the initial endowment, the foundation also accepts donations from the private sector in both countries. FLAD also continues to receive funding from the U.S. Department of State for certain limited initiatives.

Functions: FLAD is widely recognized as an important actor in the U.S.–Portugal relationship, complementing the work of the U.S.–Portugal Bilateral Standing Commission and the U.S.–Portugal Fulbright Commission. It is also an especially active supporter of the Portuguese-American community in the United States, providing funding for organizations that support and advocate for Portuguese-Americans. Although the foundation has faced a principal agent problem in the past decade, with U.S. and Portuguese leadership differing over its decision-making and leadership direction, FLAD remains a key player in the bilateral relationship.

IMAGINING A BRAZIL–U.S. BINATIONAL INSTITUTION

SUMMARY

A Brazil–U.S. binational organization could be set up with an endowment by the U.S. and Brazilian governments, managed by a small binational staff, and overseen by a binational board of directors from across the political spectrum. As with CRUSA, FLAD, and GMF, this initial endowment could be supplemented in the long term by philanthropic and private sector funding from both countries. Like GMF, this Brazil–U.S. fund could both issue grants and implement projects itself, arranging for an institutional structure that can accommodate all programs and activities within a cross-sector partnership division. This division would organize seminars, workshops, conferences, leadership training, and dialogues to discuss solutions for third-country challenges—and provide grants for other initiatives, including existing education and language partnerships.

A Brazil–U.S. fund may be able to attract existing organizations such as the New York–based [BrazilFoundation](#), which connects U.S. and global investors with social organizations across Brazil. A bilateral fund could leverage its resources by attracting additional capital from international and nongovernmental organizations (NGOs) (like the [Amazon Coalition of Investors](#) and [BrazilFoundation](#)), political leadership (like the [Congressional Brazil Caucus](#)), philanthropists, and private-sector companies and stakeholders (like those involved with the [U.S.–Brazil CEO Forum](#)).

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POTENTIAL AREAS OF FOCUS

There are various areas on which the United States and Brazil can work together; some will require a

deepening of existing collaborative efforts, and others will require a wholly new approach. These areas include the environment and sustainable development, food security and agricultural development, education, economic stability, and information technology (IT), among others.

As mentioned earlier, the primary focus of Brazil's partnership with USAID is sustainable development in the Amazon. Within the context of a binational organization, Brazil could work with additional U.S. entities focused on this issue such as the [Earth Innovation Institute](#) and global organizations such as the [Global Environment Facility](#). There are also many opportunities for collaboration on topics such as biodiversity and deforestation, both of which are intimately related to the welfare of the Amazon rainforest. Although work is being done in this realm, the agencies involved lack the visibility and framework to expand their efforts. A bilateral institution would provide further guidance for—and collaborate with—agencies focused on these issues. For example, the institution could set up a biodiversity impact investment fund to support sustainable enterprises in the Amazon, empowering scientists and others who are already doing work in these areas.

A second area of focus could be ensuring food and nutritional security through social development. According to the Brazilian Institute of Geography and Statistics, [36.7 percent](#) of households in Brazil in 2017–18 faced some degree of food insecurity. Although Brazil's agricultural production is more than enough to feed its population, limited economic access to basic foods remains an issue. The economic consequences of the Covid-19 pandemic have aggravated this challenge, making it even more difficult for many Brazilians, especially the poor, to access basic foods. Brazil has made significant strides toward increasing food security in the country, having raised nearly 30 million people out of poverty since 2000, leading the United Nations World Food Program to remove Brazil from its hunger map in 2014. However, experts estimate that the Covid-19 pandemic has dragged just as many Brazilians [below the extreme poverty line](#), greatly increasing the number of people experiencing food insecurity. A binational institution could prove invaluable in helping Brazil reorganize its agricultural sector and ensuring that the remnant effects of Covid-19 do not cancel out the measures taken to combat food insecurity. Within the institutional umbrella of the

binational organization, establishing a strategic cross-sector partnership between private-sector companies and universities could provide a venue for identifying innovative solutions to such challenges.

A third area of focus would be higher education. Brazil and the United States already have **strong** educational ties, with Brazil sending a record 23,675 university students in the 2014–15 academic year and over 2,000 U.S. students studying in Brazil every year. A binational organization, in collaboration with pre-existing government initiatives and exchange agencies, could facilitate and increase this level of exchange. For example, **past initiatives** between the Brazilian and U.S. governments aimed at increasing subject-matter expertise in science, technology, engineering, and mathematics (STEM) have struggled to remain afloat due to funding difficulties. A binational organization could establish similar programs targeting specific areas of study, such as STEM or international affairs, funding for which would encounter less bureaucratic red tape, making it easier for an external institution to implement them. As with food security efforts, the binational organization could foster a partnership between universities and science and technology companies that would advance subject-matter expertise and foster relationships among students and universities.

Language learning is an additional area in which the Brazil–U.S. relationship could be deepened. Portuguese is growing in prominence globally not only because of the size of Brazil but also because of the population **increase** in Lusophone countries in Africa. In addition to the growing interest in Portuguese proficiency, demand for English classes is growing in Brazil, too. Of the estimated 5 percent of Brazilians who speak a second language, only 3 percent speak English. In the United States, Brazilian immigrants are **less likely** to be Limited English Proficient (LEP) than the average foreign-born population. As English is one of the most used languages worldwide, offering more English classes would allow Brazil to **benefit** from global commerce more fully. Though language programs do exist—including the U.S. embassy’s Regional English Language Office (**RELO**) in **Brasilia**, the Anglo-American Cultural Center (**CCAA**) in Rio de Janeiro, and **Brazil in Chicago**—a more targeted and unified effort would benefit them significantly. A pioneer language program led by the binational organization could serve as a model for other language-based institutions to follow, similar to how FLAD has

built a network of Portuguese-language schools in the United States after the success of its initial model attracted diverse funders.

Moreover, increasing people-to-people leadership exchanges—not just in education but also in areas such as business networking and diplomacy—would deepen the ties between Brazilian and U.S. citizens. These exchanges would strengthen Brazil’s presence in the business world and allow both Brazilians and Americans to gain a greater understanding of each country’s cultures and operations. Such a leadership exchange, including mentoring and follow-up sessions, could be made more prestigious and attractive through careful development and marketing by a binational institution. The success of this program would be easily quantified and evaluated based both on the contribution made to each country’s policymaking process and how well participants evolve in leadership positions. Such an initiative would be homed in the cross-sector partnership division mentioned earlier.

Brazil and the United States already have a strong partnership in the field of science and technology. Both countries collaborated to establish the Brazilian Agricultural Research Corporation (Embrapa) and the Instituto Tecnológico de Aeronáutica, one of the top schools in Brazil for aerospace science and technology. In March 2020, Brazil also hosted the fifth meeting of the U.S.–Brazil Joint Commission on Science and Technology Cooperation. Since the **U.S.–Brazil Technology Safeguards Agreement** entered into force in November 2019, the two countries have expanded their cooperation on space and aeronautics, including prospective cooperation on NASA’s Artemis program. These instances point to both countries’ interest in continuing to grow their relationship. Such increased connectivity among government agencies, businesses, academic institutions, and NGOs would be bolstered by a binational organization that prioritizes exchanges in science and technological areas.

As the two largest democracies and economies in the Western Hemisphere, Brazil and the United States have significant influence in regional cooperation. A binational organization would provide the ideal platform for Track 2 discussions, allowing for more open and honest interactions. Additionally, the two countries have already **partnered** on trilateral issues, assisting developing countries with combating food insecurity, child and forced labor, and narcotics. Bringing this work

into a binational organization—and expanding its scope beyond strictly governmental measures and abilities—would greatly increase the amount of work that the two countries are able to conduct both regionally and globally.

Brazil is currently **pursuing membership** to the Organization for Economic Cooperation and Development (OECD), of which the United States is already a member. A binational organization would foster closer collaboration between the two countries to ensure that Brazil successfully achieves the economic benchmarks required for OECD accession, and its existence would further demonstrate Brazil's desire to help stimulate global economic progress.

Finally, as global supply chains begin to shift from Asia to Latin America in the wake of Covid-19, Brazil has a unique opportunity to attract various new investors. An organization comprised of private- and public-sector representatives would be well-positioned to discuss how to navigate these new markets and trade routes and would place Brazil in a much stronger position both economically and diplomatically. Brazil is becoming more attractive for foreign investment and relocating supply chains due to potential developments such as domestic economic reform, OECD accession, the opportunities presented by 5G technology, a Mercosur-EU trade agreement, and a U.S.-Brazil trade agreement—all topics that are already under discussion between the two countries. For the United States, an economically stronger Brazil would be a stronger partner in the global economic arena, signifying increased trade in the region and increased U.S. national security.



PROPOSED ORGANIZATIONAL GOVERNANCE

To be a long-lasting institution with the ability to enact change, this binational organization must create and implement a governance structure that accurately reflects the positioning of both Brazil and the United States. It must provide efficient, transparent, and agile processes; include appropriate representation from various sectors in both countries; and aim to deliver value to all its members and partners.

To be credible and sustainable, this institution must ensure it is representative across the political spectrums in Brazil and the United States. Such representation would ensure the institution survives changes in political administrations and demonstrate its partial independence from both the government and political

agendas. Though the institution would include government representatives, clear transparency and accountability mechanisms, as well as an independent board, would keep it apolitical and free from political influence. Just as philanthropic and private sectors from both countries should be represented, especially because they are likely to provide much of the initial funding for the organization, so too must civil society. Not only can civil society organizations serve as an accountability tool for the philanthropic, private, and public sectors, but it can also help provide a more realistic perspective of what work needs to be done on the micro level.

Equal representation from Brazil and the United States should be the goal, and the organization could consider making this non-negotiable; any management should have equal input from Brazilians and Americans to avoid one-sided discussions that disproportionately benefit one nation. In this vein, the organization should have headquarters in both countries. The U.S.-based locale could be in Washington, D.C., to ensure better access to both Brazilian and U.S. government representatives, international stakeholders, and relevant philanthropies. In Brazil, this office could be housed in São Paulo, which is home to many U.S. expatriates. Depending on the growth of the organization, additional offices could be opened across both countries, such as in New York and Rio de Janeiro.



LEADERSHIP PROPOSAL

Careful selection of leadership is crucial in determining the organization's success.

One option is for the board to recruit the governance committee, which would require representation from across the political spectrum and the inclusion of mainstream political actors. External actors could also create a "stakeholder" graphic to communicate which industries should be included in the organization's leadership model.



LESSONS LEARNED FROM SIMILAR INITIATIVES

It is crucial that the organization's efforts are in fact country-to-country initiatives, not administration-to-administration initiatives. Often, programs enacted by other organizations fall victim to economic or political pressure. Ensuring that the organization's leadership and activities are not subject to political agendas is crucial in guaranteeing its success and that of its programming. Drawing leadership from

a range of various sectors and agencies would certify that no sector's agenda will be predominant within the organization. Similarly, a common complaint from similar binational organizations was that one side inevitably felt it was not treated fairly, so it is also vital for this organization to have a neutral governance structure that is managed equally by Brazilians and Americans and does not let either nation dominate discussions.

Initiatives such as **Ciência sem Fronteiras** in Brazil or the Youth Ambassadors Program (YAP) in Argentina and Chile faced funding shortages that threatened their survival. The new binational organization would need to institute funding strategies and mechanisms to ensure programmatic longevity and consider implementing projects that will garner long-term interest from donors. These programs would need to start with a narrow scope and grow over time; programs such as the YAP were too large from the start and were unable to maintain funding for all proposed activities. Sustainable fundraising strategies would enable future expansion by including value-added membership and developing services and products geared toward generating revenue.

Choosing programs of long-term importance to both sides—such as ones related to the environment, agriculture, or science and technology—would also encourage programs' political independence and make them less vulnerable to fluctuations in funding based on interest. Similar organizations attempted to implement many ideas immediately and were unable to sustain all their initiatives. A Brazil–U.S. binational institution should begin with a few ideas and phase in new ones gradually to ensure stable funding and maintain their ability to implement programs.



FUNDING FOR A BRAZIL–U.S. INSTITUTION

A binational Brazil–U.S. institution would require robust and sustainable funding both at the outset and in the long term. Below are four potential main sources of funding, each of which could play a distinct role in supporting the institution.

U.S. GOVERNMENT

With a foreign affairs budget of over **\$40 billion for fiscal year 2020**, the U.S. government could be a significant source of funding for this bilateral institution, particularly the seed money needed to set initiatives in motion. U.S. government backing would

also demonstrate its commitment to deepening the bilateral relationship and confer legitimacy on the institution. The U.S. Department of State has a number of divisions equipped to oversee this funding stream, such as the **Bureau of Western Hemisphere Affairs** (WHA) and the **Bureau of Economic and Business Affairs** (EB), both of which have strong existing partnerships with U.S. and Brazilian stakeholders, as well as the ability to manage large allocations of resources and ensure continuity of programming.

Funding from the U.S. government will not be able to be used quickly, as various bureaucratic steps will be necessary to acquire it. Therefore, the U.S. government should not be the institution's only source of capital.

BRAZILIAN GOVERNMENT

Brazil is the largest economy in the Western Hemisphere after the United States and has significant human and financial resources—including a large foreign affairs budget—that could be used to support a bilateral institution. The Brazilian government could complement the United States' contribution to the seed funding through an initial allocation managed by Brazil's capable Ministry of Foreign Affairs, known as Itamaraty, along with other federal departments that engage with the United States.

This U.S. and Brazilian endowment would support a small staff and a few pilot projects that aim to catalyze future efforts and growth. Over time, the institution's staff would use these initial projects' demonstrated impact to seek additional, sustained funding from nongovernmental sources such as the Brazilian diaspora and both countries' private and philanthropic sectors.

As in the United States, the Brazilian government must also adhere to its bureaucratic processes, so its funding would not be available for quick use either.



PRIVATE PHILANTHROPY IN BRAZIL AND THE UNITED STATES

Both **Brazil** and the **United States** have strong networks of philanthropic organizations and individuals with interest in the aforementioned topics. Depending on the primary areas of focus, there are numerous single- and multi-issue philanthropic stakeholders who could finance the binational institution, either through project-specific funding or general institutional support. These organizations could include members of the **Brazil–U.S. Business Council**, among others. In

addition, the institution could leverage the existing relationships that philanthropic organizations have in both countries.

Philanthropic funding is much more flexible than government funding, as it will not need to go through a bureaucratic process before use. For programs that the institution wishes to enact quickly, philanthropic organizations would be an attractive source of support.

BRAZILIAN PRIVATE SECTOR AND DIASPORA

Finally, this new notional institution would benefit from the contributions of two key Brazilian players: the diaspora and the private sector. The United States is **home** to the world's largest population of Brazilians outside of Brazil; **on average**, Brazilians in the United States are young, well-educated, and have high levels of household income and involvement in the labor force. This diaspora population could be a key resource for a binational institution, not just in terms of monetary contributions but also through contributions of time and knowledge to efforts such as leadership and educational exchanges. The same is true of the Brazilian private sector, which is **expected** to drive Brazil's recovery from Covid-19, making it more important than ever. It is therefore essential that a binational Brazil–U.S. institution engage these enterprises, taking advantage of the financial resources available within Brazil's strongest sectors, particularly telecommunications and energy.

Along with philanthropic organizations and individuals, the private sector and Brazilian diaspora would contribute to ensuring the binational institution's long-term success by expanding the scale and scope of initial efforts. These sources of funding are more flexible than government contributions and should be considered for programs that require fast implementation. Such diversity of funding sources would provide for the organization's establishment, maintenance, and growth to help achieve the full potential of the Brazil–U.S. relationship.

CONCLUSION

The creation of a binational organization would advance and institutionalize the Brazil–U.S. relationship by promoting innovative ways of thinking and inviting a new, collaborative, and transformational approach to partnership development. Not only would it benefit people in both countries, but it would also have a much larger impact in driving social, economic, and political innovation within the region and the world as a whole.

The structure proposed in this brief should serve as a catalyst for a seed funder to identify areas for collaboration and test-run projects it can then present to the government to demonstrate programmatic success on a larger scale. Leadership and funding structures, in addition to the choice of pilot initiatives, must be carefully thought out to ensure independence from economic and political pressures. Focusing on subjects that are of medium- and long-term interest to both countries will promote institutional longevity and ensure funding continues.

This institution would differ from existing organizations in various ways. Its governance structure would support and promote a business-oriented mindset with an efficient, transparent, and tangible results-oriented approach, ensuring accountability at all levels of collaboration. As an apolitical institution, it would not fall victim to the same economic and political pressures that have plagued other institutions. This governance structure should be codified in the institution's bylaws to safeguard its political neutrality. In addition, the proposed areas of collaboration extend beyond trade and commerce, which have formed the core of other institutions; themes such as sustainable development, impact investing, and social entrepreneurship would involve various Brazilian and U.S. entities in a broader range of sectors. Lastly, the cross-sector partnership division would serve as a hub to promote the exchange of ideas and best practices, provide opportunities to develop important partnerships among members, and offer products and services to generate income for the institution.

The importance of the Brazil–U.S. relationship merits increased collaboration at the micro and macro levels in both countries. A binational organization would enable stronger and more efficient coordination on various topics of strategic importance to Brazil and the United States—and bring their relationship to a new level regardless of administration. ■

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