

The Negotiation of Itaipu's Annex C in the Paraguayan Press: Notes from the Year 2021

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Abstract: This paper aims to analyze the news content published in the Paraguayan press regarding the negotiations of Annex C of the Treaty of Itaipu. Annex C deals with the financial aspects of the binational hydroelectric plant managed by Brazil and Paraguay, signed in 1973. After 50 years of its signature, negotiations are expected for new financial terms to share the energy produced by Itaipu in the Paraná River. Given the economic and territorial relevance of Itaipu for both countries, negotiations are part of the public debate, especially in Paraguay. In this work, which focuses on news articles from 2021, we analyzed content related to the themes of sovereignty and bilateral Brazil-Paraguay relations.

Keywords: Brazil-Paraguay; hydropolitics; Itaipu; sovereignty; bilateral relations.

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Introduction

The signing of the Iguazu Act on June 22, 1966, marked a milestone in resolving territorial disputes between Brazil and Paraguay. It also initiated bilateral interactions regarding the shared use of the Paraná River's waters, as it manifested the intention to study and harness the hydraulic resources of this transboundary river.

The Act anticipated topics that would later be detailed in the Treaty of Itaipu, a legal instrument signed by Brazil and Paraguay in 1973 to establish the hydroelectric use of the Paraná River through the construction of Itaipu Binacional, a hydroelectric plant managed by both states.

The construction of the power plant began in 1975, involving a river diversion to dry the riverbed where the plant was built. The construction site measured 150 meters in width, 2 km in length, and 90 meters in depth. At the peak of construction, the site housed approximately 40,000 workers. More than 12 million cubic meters of concrete were used, along with 20 thousand trucks, 7 thousand railcars, over 9,000 homes for workers, and a total investment of \$17.6 billion. Due to its size and technical complexity, Itaipu is considered one of the most remarkable feats of modern engineering.

However, for its financial management, the Treaty of Itaipu includes Annex C, a document that defines the general rules for the division and commercialization of energy produced by Itaipu. Regarding energy distribution, the agreement states that any surplus energy not consumed by Paraguay, given its lower energy demand, can only be transferred to Brazil. Additionally, the price paid by Brazil to Paraguay for this surplus is considered compensation, which is below market value. This aspect of Annex C is one of the main points of contention regarding the document and a source of tension in bilateral relations between the two countries.

Another relevant aspect of Annex C pertains to the debt incurred by both countries for constructing the hydroelectric plant. Brazil and Paraguay secured the main financing for Itaipu Binacional under an agreement that the debt would be repaid over 50 years starting in 1973. Repayments were made through government transfers and reductions in energy tariffs. Since then, Itaipu's tariff, known as the Unit Cost of Electricity Service (CUSE), paid by Brazilian and Paraguayan consumers, has provided the resources necessary to amortize the debt. In 2023, after the 50-year period, the debt was finally settled, opening the possibility for both countries to renegotiate the terms defined in Annex C for the distribution of energy produced at the Itaipu Binacional hydroelectric plant.

Regarding the importance of Itaipu for both countries' energy sector and economic development, approximately 8.6% of the energy consumed in Brazil comes from Itaipu. In comparison, 86.3% of Paraguay's total energy supply originates from the plant. These figures underscore the significance of Itaipu for Paraguay regarding energy and economics. Additionally, the binational company pays royalties to both countries to compensate for productive areas flooded by the reservoir, funds infrastructure projects such as bridges and roads, and finances research and development institutions. These factors highlight Itaipu Binacional as a crucial driver of territorial development at the Brazil-Paraguay border and a key point of interest in bilateral relations. Given the need to review Annex C 50

years after the treaty's signing, this study aims to analyze how different political actors have positioned themselves regarding the annex's revision, the future of the binational company, and its territorial effects.

Methodologically, this study relies on media sources to investigate positions within the public debate and assess the media's role in shaping discourse around the treaty's renegotiation and the mobilization efforts advocating for practical changes to Annex C.

Initially, we observe that Paraguayan actors have been significantly more engaged in the Annex C revision than Brazilian actors, as evidenced by the number of news articles published in the media of both countries. For this reason, our study focuses exclusively on news articles from the Paraguayan press. From our compilation of news articles throughout 2021, the issue of energy sovereignty emerges as a recurring topic, extensively debated from different perspectives that reflect the political stance of each media outlet. Headlines such as "Reducción de tarifa de Itaipú: ¿Qué posición defenderá Paraguay?" (Reduction of Itaipu's Tariff: What Position Will Paraguay Defend?), published by DIARIO HOY (2021), questions the silence of ministers involved in the Annex C negotiations and Brazil's efforts to reduce Itaipu's tariffs. Another headline, "¿Vender solo al Brasil o nuevo modelo de negocio?" (Sell Only to Brazil or a New Business Model?), from ABC en el Este, questions a clause in Annex C prohibiting the sale of surplus energy to countries other than Brazil.

Thus, we first present the historical background of Brazil-Paraguay territorial disputes and the management of transboundary water resources. We then examine how this history has shaped bilateral relations and different dimensions of national sovereignty, particularly in border regions near Itaipu. Next, we outline the methodological aspects of our Paraguayan media coverage content analysis. Finally, we present the findings from our study of 2021 news articles, focusing on the themes of Sovereignty and Bilateral Relations, followed by a discussion of the results.

The Concept of Sovereignty and Brazil-Paraguay Bilateral Relations

The concept of sovereignty in the context of modern nation-states refers to the sovereign's ability to concentrate and unify power over a given territory and its population. In an abstract sense, by concentrating power, the sovereign state aims to be exclusive in the administration and management of affairs within its national territory and, at the same time, is solely responsible for defining relations of peace and war with other sovereign nation-states (MATTEUCCI, 2001).

More specifically, a state's sovereignty over its territory also implies the ability to self-determine and freely dispose of natural resources within its international boundaries for economic and human development. This particular point has seen several advancements in international law, especially since the 1950s within the United Nations framework, with the decolonization of countries in Africa and Asia and the pursuit of economic autonomy by Latin American countries (SCHRIJVER, 2013).

However, various processes marking the late 20th and early 21st centuries have highlighted the limitations of understanding sovereignty as an exclusive exercise of power and force over national territories. Among these processes, economic globalization, with the expansion and reach of global production chains, is noteworthy. More fundamental to this study is the transboundary nature of natural systems, specifically surface water circulation through transboundary rivers.

Ribeiro (2012) highlights the challenges to exercising sovereignty in a world marked by hydrological interdependence between sovereign nation-states, especially in a context of increasing unpredictability due to the ongoing climate crisis. On the one hand, creating an international environmental order—comprising multilateral organizations, international treaties, and non-governmental organizations—demonstrates the existence of interdependent sovereignty, which seeks cooperation and dialogue for the coordinated use of natural resources. On the other hand, nation-states remain wary of sharing the management of natural resources within their territories.

The bilateral relations between Brazil and Paraguay regarding their shared natural resources shed light on the nuances of sovereignty, even before the Itaipu Binational hydroelectric project was conceived and inaugurated. Paraguayan's concerns over Brazilian influence in the free use of its natural resources and territory have long been a source of contention. It is important to note that issues related to Brazilian interference in Paraguay's sovereignty date back to the Paraguayan War, or the War of the Triple Alliance (1864–1870), and the subsequent Brazilian occupation of Paraguayan territory between 1869 and 1876 (DORATIOTO, 2004; SALUM-FLECHA, 1990).

In this historical context, marked by war and a political-military occupation in the 19th century, the negotiations for the construction of the Itaipu hydroelectric plant a century later did not begin under auspicious circumstances, notably because they coincided with a dispute over the undefined territorial boundaries between the two countries. Regarding this territorial dispute, it is essential to note that Paraguay believed that the boundaries defined by the Loizaga-Cotegipe Treaty of 1872 were situated north of Salto del Guairá. Thus, if the waterfalls where the hydroelectric plant was to be built belonged to Paraguay, the energy generated would also belong to Paraguay.

Brazil, on the other hand, interpreted the same treaty differently, understanding that the *Sete Quedas* (in English, Seven Falls) were seven distinct waterfalls and that the treaty stated that the border passed through the “*Salto Grande das Sete Quedas*” (in English, “the biggest fall in the seven falls”) (LOYZAGA-COTEGIPE TREATY, 1872)¹. Therefore, Brazil claimed that the boundary line passed through the largest of the seven falls, specifically the fifth (Figure 1). This difference in treaty interpretation by Brazil enabled the country to build the Itaipu hydroelectric plant on the segment of the river that it exclusively controlled, thereby eliminating the need to form a partnership with

1 - The differences in the interpretation of the Treaty arose from the section's topographical definition: “From the Biggest Fall of the Seven Falls, the dividing line continues along the highest point of the Maracajú Mountains until its termination” (LOYZAGA-COTEGIPE TREATY, 1872). That is the identification of the “highest point” of the Maracajú Mountain.

Paraguay (BLANC, 2018).

Figure 1 – Brazil – Paraguay's border at Sete Quedas Falls region before Itaipu construction



Source: Blanc, 2018.

In 1965, tensions between the two countries peaked, coinciding with both nations' interest in utilizing the Paraná River's water resources. The dispute over control of the contested area was marked by military incursions from both sides to assert sovereignty over the territory. The climax of the conflict occurred in October of that year when Paraguayan soldiers patrolling and photographing the area were detained by Brazilian military forces (Figure 1). It is worth noting that Brazil denied detaining any Paraguayan soldiers, claiming only that a reprimand was issued due to their presence in the area. Nonetheless, this incident resonated as another demonstration of Brazil's assertion of power over Paraguay and a threat to its territorial sovereignty (BLANC, 2018, 2019).

Following this dispute and throughout 1966, Brazil maintained and expanded its military presence. Operation Sagarana, as it was called by Brazilian military and diplomats, involved the construction of permanent installations, an airstrip, and roadways in the disputed area, which prolonged the disagreement with Paraguay. That same year, the conflict was resolved through the signing of the Iguazu Act, in which both nations agreed to share the electricity generated from the Paraná River's waters in the stretch extending from the mouth of the Iguazu River to the Sete Quedas Falls. The Act of Itaipu was formalized in April 1973 with the signing of the Treaty of Itaipu and creating a binational company responsible for constructing and managing the Itaipu hydroelectric plant. Ultimately, the issue of border demarcation in the hydroelectric plant's region was resolved by flooding

the disputed area and establishing an ecological reserve on the right bank of the Paraná River, adjacent to the international border. While the Iguazu Act and the Itaipu Treaty settled the territorial dispute between Brazil and Paraguay and established mechanisms for binational governance of the hydroelectric plant, they are also seen as demonstrations of Brazil's ability to assert itself over its South American neighbors (BLANC, 2018, 2019; CARDOZO, 2018).

Following the Argentine military coup of 1976, Brazil, Paraguay, and Argentina's governments sought an understanding of the technical aspects of hydroelectric utilization of the Paraná River among the three countries. At the time, the Itaipu plant was already under construction. At the same time, Argentina and Paraguay initiated a project for a third hydroelectric plant on the Paraná River, the Corpus Christi Hydroelectric Plant. Due to the proximity between Corpus Christi and Itaipu, the two plants would be highly interdependent. If the Corpus reservoir were too large, it would reduce the water level at Itaipu, thereby diminishing its power capacity. Conversely, if Itaipu excessively restricted the Paraná River's water flow, Corpus would lack sufficient water to turn its turbines. For these reasons, the military governments of the three countries worked to establish hydrological levels for the coordinated use of the river's hydroelectric potential. The result was the Itaipu-Corpus tripartite agreement, signed by Brazil, Argentina, and Paraguay in 1979. Thus, at least regarding the technical aspects of utilizing the Paraná River's waters for hydroelectric production, conditions for cooperation were established (CANDEAS, 2017; DEL CASTILLO, 2011).

Given this historical background of Paraguay's bilateral relations with Brazil—along with Argentina's active participation and Paraguay's landlocked position within the La Plata Basin—the Itaipu hydroelectric plant emerges as an element that challenges Paraguayan sovereignty in several aspects: Brazil's strong influence in defining the technical and financial parameters of the binational company, Brazil's geographic control over the cascade of hydroelectric plants upstream of Itaipu, thereby regulating its reservoir level, and the perception that both Brazil and Argentina derive more significant economic benefits from exploiting the Paraná River's waters. These contested elements have been framed in the press and among various political groups as a struggle for Paraguay's hydroelectric sovereignty (DE PAULA et al., 2021; FOLCH, 2019).

Over the past twenty years, various actions by the foreign ministries of both countries, as well as the leadership of the binational company, have highlighted Itaipu's unique role in governance and its contribution to Paraguay's economic development. Between 2008 and 2009, new compensation values were negotiated for Brazil's payments to Paraguay for surplus energy and changes in the binational company's management, partially addressing some of Paraguay's longstanding demands (DE PAULA, 2016). More recently, negotiations—often lacking transparency—have focused on the price of energy sold by Itaipu and the right to commercialize it in the open market of both countries. These discussions have increased media coverage and heightened public interest in Paraguay regarding the 2023 negotiations.

Thus, the negotiations for revising Annex C of the Itaipu Treaty are directly linked

to these historical elements of bilateral relations between Brazil and Paraguay, reinforcing Brazil's role as a hegemonic state in South America and highlighting the stark asymmetries in the two nations' ability to exercise sovereign power in interstate relations. Monitoring the public debate in the Paraguayan press is essential to understanding the terms of discussion that shape perceptions of Paraguayan sovereignty and its bilateral relations with Brazil.

Methodology

The methodology used in this study combines the works of Grimberg and Dorfman (2016) and Bardin (2016), which respectively address the use of news to shape public opinion on conflicts and the analysis of content in media outlets. It is essential to highlight that these authors deal with broad topics; therefore, the approaches chosen here involve selecting and adapting some of their ideas to the specific theme of this study: the negotiations of Itaipu's Annex C.

Among the key ideas presented by Grimberg and Dorfman (2016), one that stands out is the notion of locality in news articles—that is, their quality of being linked to a specific viewpoint with a spatial location. This consideration is essential in discerning the role of the media as a representative of relevant groups within the political process surrounding conflicts. In this way, the media performs a function of influencing public opinion, which can work in either a positive or negative way but is undoubtedly complex and fundamental to understanding why certain events occur and their future developments.

Content analysis' ability to provide insights beyond what is explicitly written in a news article is crucial for establishing relationships between how issues are addressed, the terms used, and their meanings within the broader context of each conflict.

Based on these general ideas, we carried out the following steps to understand how the Paraguayan media has been preparing for the negotiations scheduled to take place during the negotiation.

We first created a Google alert to monitor news related to the selected topic—the revision of Annex C of the Itaipu Treaty. This tool notified us daily via email whenever news articles containing the keywords “Itaipu Binacional” or “Annex C – Itaipu Treaty” were published. The monitored and analyzed news articles in this study span from April to August 2021. After this initial phase, we created a spreadsheet in Excel based on our prior readings of the most relevant hydropolitical topics to categorize each news article according to its approach to the subject.

We divided the table into the following classes: sovereignty, water use, natural resource/nature, Itaipu debt, royalties, relations with Brazil, institutional/personal positions, subnational governments, Annex C revision, and the energy market. Each of these classes contains multiple subcategories of possible stances or classifications. For instance, the “sovereignty” class includes the categories of “threat,” “sharing,” and “invasion.”

Using this classification, we better understood which topics were most frequently addressed. We then proceeded to the next step: a content analysis of the news articles,

using the methodology proposed by Laurence Bardin (2016). Content analysis can be defined as a tool used in various social sciences to uncover the underlying meanings behind communication, regardless of the medium. Numerous techniques exist for conducting content analysis, which can generally be divided into two main trends: one that explores results without a specific predetermined objective and another that starts with a hypothesis and seeks to confirm it through analysis. The data description for subsequent interpretation can be qualitative or quantitative, depending on the analyst's interests. Overall, content analysis aims to infer interpretations of a given text beyond what is immediately evident, clarifying motivations within a broader context and identifying possible intended consequences of the message being conveyed.

We decided to start with a quantitative analysis to continue with our methods. The objective was to detect which words appeared most frequently concerning specific themes or classes from our table, which could provide important insights into people, institutions, and other relevant issues.

To accomplish this, we searched for a website or program capable of automatically counting words within a text, and we found "Tagcrowd," a webpage specialized in word frequency analysis for websites, documents, or texts. At this stage, we used a method that counted the 50 most frequently occurring words in each news article. Finally, we identified the most repeated words in all news articles related to each specific theme and built a deeper analysis of how different media outlets were addressing each class and specific category.

Results and discussion

Tomorrow began yesterday, but the key date remains the year of the renegotiation of Itaipu's Annex C, whose discussions and negotiations have already begun, though we barely know anything beyond a few leaked details. We also need patriotism to handle this issue and demand that our future be negotiated—and it will be negotiated. We must not take missteps that will condition the nation's future (ULTIMA HORA, 2021).

Among the preferred words of the Bishop of the Diocese of Caacupé, Ricardo Valenzuela, 'patriotism' is central both to understanding Paraguay's position and to grasping the national sentiment that is mobilizing across different spheres in preparation for the revision of Annex C of the Itaipu Treaty in 2023.

Within the internal classification of the news articles analyzed in the Paraguayan press for this study, the "sovereignty" category strongly expresses the emotions surrounding the 50-year history of the Itaipu Treaty and the continuous challenges to Paraguay's energy sovereignty. The treaty structure highlights Brazil's dominance over Itaipu, mainly due to the debt factor incorporated into the payments made by Paraguay, which are based on the costs of financing the plant's construction. In this category, we used a subdivision

that classified sovereignty-related news into “threat,” “sharing,” and “invasion,” covering the period from January 2021 to December 2022.

The term “tariff” appears 32 times in just four news articles from our database. As the treaty’s renegotiation deadline approaches, discussions on the topic have intensified, though it has been debated almost daily in the Paraguayan press throughout our research. The terms “revision” (17) and “reduction” (17) frequently appear when discussing threats to Paraguayan sovereignty. The tariff—representing the price paid to Paraguay by Brazil for energy surplus, which, under the treaty’s current structure, can only be sold to Brazil—is the principal hegemonic factor in bilateral relations between the two nations. While Brazil continuously seeks to reduce this payment for political reasons, in its struggle for energy sovereignty, Paraguay aims to narrow the disparity while trying to balance its relationship with Brazil without compromising its national sovereignty.

A bilateral agreement signed by the Paraguayan government in 2019, without prior public disclosure, nearly led to the impeachment of President Mario Abdo Benítez. The agreement altered the terms of energy transfer and sales to Paraguay regarding guaranteed energy (which includes the treaty’s debt costs). It would have resulted in approximately \$200 million in additional charges for Paraguayans, reflected in their electricity bills. The agreement was ultimately canceled due to widespread public backlash and the secrecy of the negotiations, which excluded the Paraguayan society—one of the most interested parties in Itaipu-related matters. The key figures cited in the Paraguayan press on this issue include President Mario Abdo Benítez, former Minister of Foreign Affairs Euclides Acevedo, current Minister of Foreign Affairs Julio Arriola, Paraguayan Director-General of Itaipu, Manuel María Cáceres Cardozo, and the head of the National Electricity Administration (Ande), Félix Sosa. Notably, there is significant engagement from Paraguay’s parliament and society as a whole on this issue. In 2018, Itaipu Binacional met more than 90% of Paraguay’s energy demand, reinforcing the critical importance of the enterprise to the country.

A total of 20 news articles in the “sovereignty” category were analyzed. These articles contained 17 mentions of Julio Arriola, the Minister of Foreign Affairs; 15 mentions of President Mario Abdo Benítez (three as “Mario” and 12 as “President”); and nine mentions of former Minister of Foreign Affairs Euclides Acevedo. Despite the consistency in Paraguay’s discourse—where the tariff is widely understood as the primary factor in the country’s assertion of state authority—the term “patriotism” is a relatively new element in Paraguayan media discussions. The term “patriotism” was referenced far more frequently than other terms (77 mentions were identified in 10 news articles within the sovereignty category), reflecting concerns over the control exercised by Brazilian authorities, which is perceived as undermining Paraguayan sovereignty.

Patriotism is described in the literature as love for one’s country and its symbols, manifesting in its defense against possible threats. Thus, it is understandable that Paraguay is seeking to reclaim these values, given that Itaipu Binacional, as previously discussed, is paramount to its society. The term “patriotism” first appeared (among the news articles in our database) in Bishop Ricardo Valenzuela’s “Open Letter to the People,” cited at

the beginning of this section, during one of his sermons in December 2021. It has since appeared in more recent news reports from late 2022, with the latest mention in January 2023, when Senator Eusebio Ramón Ayala accused President Mario Abdo Benítez and Minister of Foreign Affairs Julio Arriola of lacking patriotism due to their submissive stance. According to the senator, even though Brazil is dominant in Itaipu Binacional's negotiations, international law recognizes equality between nations, which must be respected. His main criticism, however, was directed at the President and Foreign Minister for failing to protest against Brazil's demands, highlighting their neglect of the situation. His concerns are valid and pressing as the final renegotiation of the treaty's terms approaches in August 2023.

Brazil – Paraguay's bilateral relations in the context of Annex C negotiations

There are many ways to approach the topic of Itaipu, its functions in each country, and the agreements established in the treaty. Hydro-hegemony is a concept that proves particularly relevant in understanding the binational relationship formed through the treaty. This concept characterizes an asymmetry of power between countries that share water resources, thereby exercising shared sovereignty over them. According to Cascão and Zeitoun (2010), hydro-hegemony can arise due to geographical, material, or economic factors, a stronger bargaining position, or even ideological or ideational power held by one of the countries involved in joint management. Through these advantages, the hydro-hegemonic country imposes its interests regarding resource use on the other countries sharing it, with or without conflict.

A preliminary analysis of the treaty between Brazil and Paraguay makes it evident that Brazil assumes the role of a hydro-hegemonic country. This is not only due to its broader hegemony in South America as a whole but also due to geographical factors (since the majority of the basin is within Brazilian territory) and historical sensitivities, such as the Paraguayan War, which had long-lasting consequences that remain part of Paraguayan collective memory. This was particularly evident in our analysis of Paraguayan media coverage.

According to Mariana de Paula (2016) in her dissertation on Brazilian hydro-hegemony, Paraguay has, over the years, sought ways to assert itself, primarily through ideational and bargaining power, to establish limits on Brazilian imperialism. This dynamic is evident when analyzing the agreements enshrined in the treaty.

Major Paraguayan media outlets, such as ABC Color, have played an active role in disseminating the idea of defending sovereignty over energy resources in strengthening the country's ideational power. This has even yielded concrete results in treaty agreements, as evidenced by the successful campaign for "cogestión plena," which ensured an equal number of Paraguayan and Brazilian managers within the power plant. Similarly, the push for an audit of Itaipu's debt highlights the media's significant influence on the trajectory of binational negotiations.

A second key mechanism in Paraguay's construction of ideational power is the

role of *Frente Guasu*, a coalition of various parties that, according to Bourscheid (2019), positions itself as an alternative to the traditional dichotomy between the Colorados and Liberals—the dominant conservative parties in Paraguayan politics. *Frente Guasu* gained prominence by electing President Fernando Lugo in 2008, with a discourse focused on energy sovereignty. To this day, it remains a strong opposition force against the current Colorado's government, which has been accused of taking a submissive stance regarding the hydroelectric plant. It is important to note that during Lugo's administration, significant changes were made to treaty agreements, such as allowing the sale of energy to private companies and legally breaking Brazil's monopoly on Paraguayan energy.

Still within the context of sovereignty, studies focused on the efficient use of energy resources for Paraguay's development are particularly interesting, as they provide a perspective beyond simply achieving a "fair" division of resources. Instead, they emphasize optimizing their use to ensure a stronger economic position for Paraguay in the long term, promoting greater autonomy in its decision-making. It is worth remembering that revenue generated from energy sales (which currently must be exclusive to Brazil) is widely distributed across Paraguayan state sectors. Therefore, any changes to the treaty agreements could have significant political and economic consequences for the country, which also explains the high media visibility surrounding these negotiations.

Discussion

Preliminary analyses of the content of Paraguayan news indicate some critical points for understanding the terms of the debate surrounding the Itaipu hydroelectric plant and Annex C. It is important to note the visibility of topics related to the energy tariff and Itaipu's debt as fundamental elements in the discussion about exercising Paraguayan sovereignty. A sovereign country, in this case, is not just one that controls the natural resources within its territory but also one that can manage, calculate, and allocate its financial resources, whether in the public budget or citizens' electricity bills. The Paraguayan debt incurred for constructing Itaipu, which was fully paid off in 2023, symbolizes Brazilian interference in Paraguay's resources—though this time without the territorial occupation that marked other moments of tension between the two countries. Now, with the debt settled and the possibility of lowering electricity costs for the Paraguayan population, the Paraguayan state may freely dispose of the energy produced by the waters of the Paraná River.

Bilateral relations appear in news content segmented by specific political groups. Hegemonic political groups, such as the Colorado and Liberal parties, view Brazil as a priority economic and political partner, whose demands should be considered in exchange for maintaining the terms of financial compensation for the transfer of surplus energy—or, at best, increasing the compensation paid. On the other hand, opposition political groups, some of which held leadership positions in the 2000s, see the revision of Annex C as an opportunity to reevaluate and challenge Paraguay's relationship with its largest partner. The potential revision of bilateral relations in the context of Annex

C negotiations aims to reorient Brazil's hydro-hegemonic relations with Paraguay; however, institutions responsible for diplomatic negotiations view these changes cautiously. Without a doubt, Annex C cannot be considered in isolation from the broader political interactions between the two countries.

Conclusions

The present study aimed to discuss the progress of preparations for the negotiation of Annex C of the Itaipu Treaty, which is set to be reviewed from 2023 by Brazil and Paraguay. The analysis was conducted through a content analysis of articles published in Paraguayan news outlets in 2021. Discussions surrounding Annex C of the Itaipu Treaty gained greater prominence throughout 2022 and early 2023 while this article was being written due to the completion of Itaipu's construction debt payments, the change in government in Brazil, and Paraguay entering an election year. Therefore, the news analyzed here should be supplemented with those from 2022 and 2023 to provide a comprehensive overview of the negotiation preparation process.

Despite this temporal limitation, this article contributes to discussions on the role of water and hydro-infrastructure in international politics by presenting elements related to the exercise of sovereignty over water resources, Paraguay's financial situation, and the hydro-hegemonic bilateral relationship between the two Itaipu partners. The next stages of research will seek to deepen the analysis of the role of shared waters in domestic politics and bilateral relations, as well as to assess projects concerning the use of financial resources derived from the exploitation of international waters.

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Negociação do Anexo C de Itaipu na Imprensa Paraguaia: Apontamentos do Ano de 2021

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Resumo: Este artigo tem o objetivo de analisar o conteúdo das notícias veiculadas na imprensa do Paraguai a respeito das negociações do Anexo C do Tratado de Itaipu. O Anexo C trata dos aspectos financeiros da hidrelétrica binacional administrada pelo Brasil e o Paraguai, tendo sido assinado em 1973. Após 50 anos da sua assinatura, é prevista a negociação de novos termos financeiros para o compartilhamento da energia produzida no rio Paraná por Itaipu. Dada a relevância econômica e territorial de Itaipu para os dois países, o tema das negociações estão no debate público, especialmente no Paraguai. Neste trabalho, que trata das notícias de 2021, foram analisados os conteúdos de textos referentes às classes de soberania e relações bilaterais Brasil-Paraguai.

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Palavras-chave: Brasil-Paraguai; hidropolítica; Itaipu; soberania; relações bilaterais

La Negociación del Anexo C de Itaipú en La Prensa Paraguaya: Notas del Año 2021

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Gabriel Carvalho dos Santos

Resumen: Este artículo tiene como objetivo analizar el contenido de las noticias publicadas en la prensa paraguaya sobre las negociaciones del Anexo C del Tratado de Itaipu. El Anexo C trata de los aspectos financieros de la hidroeléctrica binacional administrada por Brasil y Paraguay, habiendo sido firmada en 1973. Después de 50 años de su firma, se prevé la negociación de nuevos términos financieros para el reparto de la energía producida en el río Paraná por Itaipú. Dada la relevancia económica y territorial de Itaipu para ambos países, el tema de las negociaciones está en el debate público, especialmente en Paraguay. En este trabajo, que trata de las noticias de 2021, se analizaron los contenidos de textos referentes a las clases de soberanía y las relaciones bilaterales Brasil-Paraguay.

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