

## **BRICS THINK TANKS COUNCIL (BTTC)**

BRASILIA, 2019

### **RECOMMENDATIONS TO FOSTERING BRICS COOPERATION**

The BRICS Academic Forum aims at strengthening networks of policy-oriented academics, as well as providing policy recommendations to governments. In 2019, the forum focused on six topics: financing for development; trade and investment; science, technology and innovation; energy and development; transnational crime; and agriculture. These topics were discussed in specific panels, all having representatives from each of the five BRICS countries.

In this report, there is a summary of the recommendations given during the forum which were assessed by the BRICS Think Tanks Council (BTTC). The report initially presents general recommendations, valid for all policy areas, and then it presents specific recommendations – for each of the six areas discussed in the forum.

#### **General Recommendations**

*Encourage sustainable economic growth and development.* The BRICS are developing in a context that is very different from the one in which other nations developed. It is not possible anymore to promote development without considering long-term environmental impacts. Rather than an obstacle, environmental concerns are an opportunity given the BRICS' ample natural capital endowment. Using this advantage, BRICS' development can remain sustainable, as well as induce innovation and trade in different areas, including in that of low-carbon and clean technologies.

Create denser cooperation networks among the BRICS. Strengthening cooperation requires working through networks. Dense networks make cooperation systems more resilient, as they do not depend on a small number of actors. The BRICS group should act as an ‘orchestrator’, catalysing capacities and skills from government sectors, universities, research institutes, civil society organisations, corporations, among others.

Look at the BRICS as a complement to other multilateral institutions. The creation of the New Development Bank and working groups in various areas have demonstrated the BRICS’ capacity to propose solutions to global governance problems. Yet, the BRICS’ role is complementary rather than alternative to existing multilateral institutions. The BRICS countries comply with current international regimes, work to strengthen multilateralism, and conduct initiatives with a focus on achieving the Sustainable Development Goals. Although they stress the need to reform global governance, the BRICS work within rather than outside the current international order.

Promote and uphold a democratic multipolar international order and work towards a reformed multilateralism. The BRICS should be a platform for emerging countries to push for global governance rules that take into account interests of developing countries, especially concerning poverty, development, respect for sovereignty and climate change mitigation. The BRICS should work to include emerging markets in globalization processes and seek to guarantee that benefits from globalization are fairly distributed.

Promote greater Academic Activities. BTTC would like to increase the academic output by the members. In view of this, the five Governments may consider augmenting the financial and other support to the respective members of the BTTC for enhancing research related activities.

## **Specific Recommendations**

### **1. Financing for development**

Expand the number of projects and credit provided by the New Development Bank (NDB) and improve country balance. Despite a huge effort to increase the number of projects, the volume of financing granted so far is lower than initially expected. This is due mainly to either the low quality of a few projects or the risks they involve. In order to change this, the BRICS should create a space to orient potential borrowers on how to improve projects' quality. In addition, the BRICS should improve securitization and risk mitigation through the incorporation of new partners into projects or through long-term co-financing projects, in cooperation with national and multilateral development institutions.

Promote a greater integration of financial markets. The BRICS should strengthen financial cooperation and market integration by harmonizing banking and finance regulations, enhancing depth, access, efficiency and stability of financial systems by converging the standards of banking and financing regulations. In addition, there is need for expanding the use of public-private partnerships (based on successful international experiences), as well as other business models, such as business-to-business (B2B) and business-to-consumers (B2C). They should also consider the possibility of creating a common BRICS multicurrency payment system.

### **2. Trade and Investment**

Reduce trade barriers. Expanding trade flows between the BRICS will contribute to increase GDP, investment levels and real wages. In order to expand trade, the BRICS should promote tariff reduction and consider negotiating a free trade agreement, while taking into account

each BRICS commitments within existing customs unions and other multilateral entities. Also, they should work to remove various non-tariff barriers, which have been increasing over the last years. In addition, the BRICS should facilitate flows of people by removing barriers to the mobility of academics, businesspeople and tourists; the creation of a BRICS visa should be considered.

International trade rules have not followed the rapid development of new form and new model of trade. This is a problem especially in the BRICS. In order to facilitate digital economy, the BRICS should develop related common rules, including on electronic payments and enhanced trade facilitation.

### **3. Science, Technology and Innovation (STI)**

Deepen academic cooperation. BRICS academic cooperation is still very limited. This is an opportunity for the formation of networks of academics, universities and think tanks. Investment in this area would expand the creation and diffusion of knowledge, improve living standards and make public policies more evidence based.

Creating a technological alliance. In order to expand cooperation on science, technology and innovation, there should be a BRICS technological alliance, coordinated by high-ranking officials in charge of STI policies in each of the BRICS. This alliance should encourage the formation of networks involving a large number of actors, including those in the state, market and civil society. A bottom-up approach to STI cooperation should prevail.

Use technology to deliver better government services. The BRICS should expand the use of common platforms, services and tools. They should also rethink how governments buy digital services, as well as find ways to bring top tech talents into the civil service. This would increase

access to information and services by citizens, empower under-served populations and improve skills in the informal economy.

Deepen cooperation on digital transformation. The BRICS should operationalize the BRICS Partnership on New Industrial Revolution (PartNIR) deepening five countries' cooperation on digitalization, industrialization, innovation through exchange of best practices and shaping policies at national and international level which make digital technologies work for inclusive growth and well-being of the people.

#### **4. Energy and Development**

*Control CO2 emissions.* The BRICS have been increasing their CO2 emissions. In order to reverse this trajectory and comply with the Paris Agreement, it is necessary to accelerate the clean energy transition. They should adopt three paths simultaneously. First, improving energy efficiency, encouraging more advanced technologies and methods in the field of industry, transportation, construction, etc. and establishing an energy-saving production and consumption model. Second, encouraging the use of low-carbon and clean renewable energy sources, of which BRICS countries dominate various technologies. Third, using fossil fuels more efficiently, focusing on less carbon-intensive technologies, such as natural gas; ultra-low emission coal-fired power plants; coal-to-liquids (CTL) and coal-to-gas (CTG); and carbon capture, utilization and storage (CCUS).

*Improve power grid and electricity access coverage.* Evidence shows a positive correlation between electricity per capita consumption and human development index. For this reason, it is important to address energy poverty and inequality by improving access to electricity and making it more affordable. This has been a priority in BRICS declarations and statements, and it is in line with the 7<sup>th</sup> Sustainable Development Goal.

Create an energy cooperation platform. This issue has been part of previous BRICS' declarations. The BRICS could use this tool to attract new investments in energy infrastructure, deepen cooperation on science and technology, and promote the use of cleaner and more efficient energy technologies.

## **5. Cooperation on fighting transnational crime**

Form a BRICS commission against transnational crime. This would expand BRICS cooperation in various areas, including on crime prevention, jurisdiction and extradition conflicts, joint investigations, and intelligence exchange. This platform could design a common terminology and elaborate common approaches on crime, aiming at standardizing types and definitions of transnational crime, funding and management issues, and dispute settlement issues.

Strengthen cybersecurity cooperation. Because there are deep technological asymmetries in the BRICS on cybersecurity, the group should focus on the creation of capacities for the critical consumption of imported technologies. They should also cooperate against the online dissemination of hate speech and disinformation. To achieve this goal, the BRICS should mobilize and coordinate groups already working on these issues, in either the state, market or civil society.

Encourage a science-based approach in the fight against crime. The US-led 'war on drugs' has not been able to prevent drug trafficking of expanding its networks. Single method of cracking down on drug is not enough to prevent drug trafficking and its networks expanding. Therefore, in order to solve the drug problem, the BRICS should stick to the principle of shared responsibility and put demand and supply reduction in equal value which should be conducted in a comprehensive and balanced way and have scientific base. The BRICS should promote drugs use reduction based on science and from a public health approach.

Expedite the finalization of the CCIT. BRICS countries should renew their efforts towards an early adoption of a Comprehensive Convention on International Terrorism (CCIT) by the United Nations General Assembly (UNGA).

## **6. Agricultural Cooperation**

Address food insecurity. There are currently 815 million people undernourished in the world, equivalent to 11% of the world's population. Among the various strategies to reduce food insecurity, the BRICS should promote more efficient food production processes, which would lead to reductions of food prices. They should also seek to improve food conservation and transportation in order to reduce food waste.

Strengthen BRICS cooperation on research. Cooperation should focus on increasing public and private agricultural investment; protecting small farmers; making better use of information and communication technology; and promoting a transition to a climate resilient agriculture. All these measures require large investments in R&D, as well as an interdisciplinary approach to agriculture, encompassing biology, economics and public policy.

Work towards a freer agricultural trade. There has been a substantial increase in the use of non-tariff measures in the last ten years – and it is crucial to address this problem in order to increase intra-BRICS agricultural trade. A possible path is to create a BRICS Agriculture Platform, an idea proposed by India in 2016. Under this platform, the BRICS could have a system to centralize bureaucratic procedures and assist agribusiness exporters and importers.