

On the prospects of BRICS cooperation agenda

Summary note – series of BRICS seminars organized by UNDP, the Russian Ministry of Economic Development and the Russian Foreign Trade Academy

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In 2011-2013 the Ministry of Economic Development of Russian launched the series of seminars with support of the Russian Foreign Trade Academy and the UN Development Program. These seminars were organized as a part of the expert consultations mechanism on BRICS cooperation, growth, trade and development. The goal of the seminars was to discuss the prospects of cooperation; the participation of experts and representatives of all BRICS countries was essential. This discussion note is a brief summary of the seminars and proposals made by the experts. This is not an official position of the parties, but rather an experts' opinion suggested for discussion to promote BRICS cooperation.

The seminars were attended by official representatives of the BRICS countries, representatives and experts of UNDP, UNIDO, UNESCO, WHO, and experts from the BRICS countries organizations: University of the Amazon, Federal University of Brasilia, Getulio Vargas Foundation, National Confederation of Industries, (Brasil), Russian Foreign Trade Academy, HSE International Organizations Research Institute, National Committee for BRICS Research (Russia), CUTS International, Research and Information System for Developing Countries (India), Chinese Academy of Social Sciences, Development Research Center (DRC) of State Council (China), University of Johannesburg, Institute for Global Dialogue (South Africa) and others.

While forming the seminars agenda the experts suggested a number of themes to develop cooperation in the BRICS. In the following section the brief outcomes of discussion of the following topics are presented:

1. Challenges of sustainable development in the BRICS countries and problems of “green” protectionism
2. Support for small and medium innovative enterprises in the BRICS
3. BRICS and Africa: new opportunities for cooperation

1. Challenges of sustainable development in the BRICS countries and problems of “green” protectionism

Rapid growth of the BRICS countries, growing income and the role of the BRICS in the international agenda make a number of issues increasingly important: sustainable development including green economy, renewable sources of energy, cooperation on knowledge exchange, spread of technologies in this area. On trade, the issues of countering protectionism, including the protectionism related to inconsistent environmental requirements and regulations are getting more and more topical.

It is vital to intensify the efforts to make all economies greener, including the BRICS economies, which account for more than a quarter of the global GDP (in PPP). Consequently, it is important for the BRICS countries to analyze the compatibility of the national legislation, to elaborate and adopt new carbon emissions regulations. At the

same time, it is stressed that transition to green growth should take into account national interests and capacities of individual economies.

Given that the BRICS countries are environmental donors, it is common interest to establish compensation mechanisms that would account for not only obligations of the BRICS countries arising from the existing and emerging international environmental standards and requirements, but also the contribution of these countries to maintaining and preserving the ecosystems of the Earth, including provision of oxygen for the atmosphere.

The current economic indicators under use in the world, do not properly account for the environmental factors and countries' inputs. Therefore, it is relevant for the BRICS to support the work on elaborating a system of indicators that would account the environmental parameters of the economic growth and development, and promote the use of such indicators.

Many developing economies are technologically and financially unable to quickly and independently elaborate and adopt the most advanced environmental technologies, and to ensure fast transition to the low-carbon economy. The BRICS countries are synergetic for each other and the developing countries in this field through establishing market mechanisms for the spread of environmental technologies, environmentally clean and renewable energy sources on the basis of technological platforms (dialogues).

The other perspective area for the BRICS cooperation is the analysis and monitoring of non-tariff trade barriers related to application of environmental requirements. A risk of green protectionism is becoming increasingly significant in international trade. To successfully develop trade relations in the BRICS, it is important to intensify information cooperation, primarily on requirements and standards applied in the partner-countries, given that many regions of the world adopt their own regional environmental standards. It is also reasonable to monitor development of new environmental requirements and analyze their influence on trade and investment, to elaborate a common position on the use of such measures. New ambitious environmental requirements, regulations and standards should not become instruments of green protectionism and an obstacle for addressing the current social and economic problems; they should promote rather than impede the development agenda.

Green economy in general and low-carbon economy in particular require a new environmental way of thinking and training of personnel with professional knowledge in this area. To achieve that goal, it is necessary to elaborate joint approaches to changing the habits of resources consumption, to elaborate and implement joint educational programs and to promote cooperation among educational institutions in this and other areas.

An efficient way to intensify cooperation is to establish a network of research organizations and think tanks, and to prepare expert surveys on these issues in the BRICS. The results of such surveys can be presented at BRICS expert meetings; they can be used in the CGETI work. Results of this work can provide proposals to be presented to BRICS ministers and leaders.

Such surveys can be prepared on the following topics:

- Implementing the concept on sustainable development and green economy for the BRICS countries, choosing indicators accounting for circumstances and interests of all countries.
- Market mechanisms of climate policies in the BRICS countries, prospects of development and implementation of national systems of emissions trading.
- Addressing obstacles in development of renewable energy sources in the BRICS countries.
- Assessing needs and potential of training specialists on economic aspects of international environmental regimes and new international mechanisms with environmental goals.

2. Support for small and medium innovative enterprises in BRICS

Development and support for SMEs are the most important priority of the social and economic development of all the BRICS countries. Given that future agenda of the BRICS growth includes development of high value-added industries, and active elaboration and adoption of innovations, a promising issue of the BRICS joint agenda is the development of small and medium innovative enterprises.

This issue covers exchange of experience and dissemination of the best practices of public regulation and support for SMEs, adoption of initiatives contributing to the ease of doing business (especially in the field of innovations), establishment of a favorable business environment through streamlining registration procedures and public regulation, reducing administrative barriers and providing an equal access to the public support.

All BRICS countries show good results of created institutions of innovative development – business incubators, technological parks, special zones etc.; a shift is taking place from financial state support for SMEs to other types of support – marketing, organizational, educational, infrastructural and information support that are essential for creating demand for innovative products. Joint seminars, consultations with specialists and managers, exchange of experience among the BRICS countries would raise the efficiency of measures on entrepreneurship support and would contribute to their internalization.

Another area of development of cooperation is the exchange of experience and implementation of measures aimed at integration of SMEs into global value chains, and development of their relations with large companies. All BRICS countries are interested in developing joint potential for expanding export of innovation products. It means that it is a relevant topic and that there is a significant interest in information and organizational support for exchange of information on markets and opportunities of innovative companies, strengthening of cooperation not only at the bilateral level, but also at the regional level. A friendly environment and better access to IPR protection, and development of cooperation among micro- and venture financing institutions are also extremely important for development of the innovative activity of SMEs.

3. BRICS and Africa: new opportunities for cooperation

African development agenda has a distinctive relevance for the BRICS, due to its members participation, international position and a special role at the intersection of developed and developing countries. This is based on the idea of how natural, agricultural and human resources are essential for development worldwide. Africa is increasingly becoming a new growth center for the global economy. Thus, many African countries have already developed ambitious growth and development plans supported by their achievements in poverty reduction, keeping up with fast economic growth, and strong commitment to developing and harnessing the substantial human and mineral resources. However, a number of obstacles, including underdeveloped infrastructure and issues of food security and health, do not allow for stable economic development, unless with external assistance.

For African States, the BRICS countries are a relatively new source of development financing. Africa's importance for the BRICS is proven by its members' vigorous operations that are traditionally active on this continent in mineral production, infrastructure development, agriculture and health support. All the BRICS countries implement bilateral projects in Africa rather actively. Joint projects of the BRICS countries in the African continent could consolidate the experience, skills and technologies from various BRICS countries and contribute to economic growth and development in Africa.

The BRICS countries possess unique agricultural technologies and experience and could assist in improving African food security through: development of a long-term incentive strategy for small agricultural businesses; development of natural risks insurance; human capacity building and creating relevant institutions; enhancing interaction with donors by improving its transparency and mainstreaming the interests of African farmers; establishment of BRICS technology platforms (dialogues) in crop production, animals, and food production.

Apart from capacity building, establishing the required infrastructure and financing pharmaceutical R&D, the BRICS countries may assist in the development of health system by enabling the application of modern health technologies, including through telecommunications techniques and remote healthcare.

As for the investment projects and development of mineral resources in Africa, the BRICS countries may enhance their cooperation with African countries, especially by helping them in drafting standards and pursuing an environmentally responsible investment and social policy taking into account the aspects of involving local workforce and the interests of local communities.

Considering the capabilities and matching interests of the BRICS countries and African States, this cooperation will help, on the one hand, contribute to the development of African economies and the qualitative growth of the entire global economy. On the other hand, the cooperation with African countries will give the BRICS countries an additional opportunity for growth, development and improving their influence in the world economy.