



BRICS
Business Council

THE BRICS PARTNERSHIP
FOR GLOBAL STABILITY,
UNIVERSAL SECURITY
AND INNOVATIVE GROWTH

BRICS BUSINESS COUNCIL ANNUAL REPORT



RUSSIA | 2020

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FOREWORD



Nowadays the BRICS countries have a unique place in the global economy. According to the IMF, in 2019 together they created one third of the world gross product (at purchasing power parity of national currencies).

Mutual foreign trade is a key area of economic cooperation among the BRICS countries. The evolution of the approaches of the BRICS countries to the development of mutual foreign trade, alongside with the movement of investments, is fully reflected in the summit declarations, especially since 2013, when the economic agenda of cooperation has gained real shape.

At the 2014 Fortaleza meeting, it was decided to create an Information Exchange Platform, which largely contributed to the intensification of the intra-group movement of goods. At the Goa Summit in 2016, the leaders of the five countries emphasized the importance of creating the BRICS Customs Cooperation Committee, and also noted the need to expand the use of ICTs to expand trade and emphasized the creation of favorable conditions for electronic commerce. At the Xiamen Summit in 2017, the partnership between BRICS Business Council and New Development Bank has been strengthened by signing up an MoU on Strategic Cooperation. By the summit in Johannesburg (July 2018), all members of the BRICS Alliance had already formed national framework on the prospects for the development of mutual trade. The results of the Brazilian summit (November 2019), with its focus on economic issues set the tone for the Russian BRICS presidency in 2020.

Among the priorities is the establishment and expansion of direct contacts among business representatives in such areas as support to SMEs, expansion of electronic commerce, simplification of procedures with real cooperation by reducing the number of administrative barriers.

Today, the BRICS countries, having great potential, are responsible not only for their own development, but also for achieving the Sustainable Development Goals on a wider regional and global scale. BRICS makes a significant contribution to development assistance through the support of the 2030 Agenda, assistance in the implementation of the 2063 Agenda of the African Union, aimed at industrialization, infrastructure development and integration on the continent, development of specific areas within the framework of the SDGs.

In recent years, the BRICS countries have set themselves the task of transitioning to green growth as the main component of sustainable development. The use of environmentally friendly, green technologies in the production and promotion of goods is becoming increasingly important for the successful expansion of foreign trade ties.

To broaden economic cooperation within BRICS in pursuit of Green agenda, it is crucial to align it with the 2030 Agenda for Sustainable Development, which should serve as a foundation for better investment climate for major and SME projects in infrastructure, energy, industry and other sectors with the aim to reduce GHG emissions and promote sustainable development.

It is important to maintain regular dialogue and share best available experience and know-how among BRICS countries, including development of new technologies and ensuring best possible conditions for greener energy sector, industry and other sectors through transparency and other instruments to stimulate producers to make a transition to a low carbon footprint.

In this context, the development of mechanisms for monetary and financial cooperation within the BRICS framework (the New Development Bank, the Pool of foreign exchange reserves, the BRICS bond fund in national currencies) will be of great importance.

Of particular importance for the intra-group commodity exchange is the active involvement of such sectors as aircraft manufacturing, power engineering, metallurgy, machine tools, electronics, transport and special engineering, agriculture and food industry.

It is a priority to remove the remaining limitations and administrative barriers which hamper the expansion of trade within the BRICS. In particular, BRICS countries differ in the level of so-called tariff peaks (rates exceeding 15%).

E-commerce is also becoming an increasingly important area of interaction among the BRICS countries, and all members of the association are interested in developing it. The BRICS countries differ in the level of e-commerce development. However there are some common challenges faced in BRICS e-commerce development, such as the lack of adequate data, logistics infrastructure, trust, regulations, cross-border customs clearance, etc. Within the framework of the BRICS economic partnership and strategic cooperation, in order to commit to e-commerce, member countries need to focus on strengthening capacity, including technological innovation, skills and professional training, infrastructure, such as ICT, logistics and distribution, transportation capacity, technical support for e-commerce development, information exchange for e-commerce logistics between member countries, and cooperation and innovation in mobile payment technology, with a focus on SMEs.

In global cross-border capital movements, the role of the BRICS countries is quite high, but it does not correspond to their huge economic potential and position in the world economy. According to UNCTAD, in recent years the share of the five countries in world GDP (PPP) has been three times higher than in FDI inward stock. In recent years, the share of BRICS countries in global FDI flows have been growing, against the background of a decline in global indicators.

The intensification of mutual investment in the BRICS countries require the development, adoption and implementation of a joint action plan that would contribute to the economic stimulation of mutual investments and reduce the risks for investors with regard to business conditions and protect their interests.

Among the promising areas for the development of interstate investment relations within the BRICS framework, one should also highlight:

- transparency and predictability of the investment environment in accordance with national economic policies and priorities;
- creation and development of joint private equity and venture investment funds, whose activities are aimed at supporting innovative projects in priority areas of cooperation;
- expansion of investment in the development and modernization of industrial, transport, logistics and other infrastructure in order to increase the joint production of high-tech, innovative, environmentally friendly (“green”), export-oriented products;
- strengthening energy cooperation that promotes market stability and energy security for all;

- promotion of industrial cooperation, including through joint ventures;
- increasing attraction of financial resources of international development banks (including the New Development Bank) for the implementation of priority projects in the BRICS countries;
- introduction of the institution of financial insurance for BRICS investors as a tool to increase the funding activity relating to new infrastructure projects of the participating countries.

Nevertheless in 2020 the COVID-19 pandemic outbreak has seriously affected the entire system of world economic relations. The spread of coronavirus on a global scale has undermined the functioning of value chains (GVCs) in connection with various measures taken by different countries to combat the pandemic in particular, closing borders and introducing rules of self-isolation and quarantine. Imposed restrictions and reduced business activity were evident everywhere around the world (restrictions on workers, temporary closure of enterprises, cancellation of business trips, negotiations, forums, fairs, etc.). This has led to a crisis both on the supply side (reduction in active labor, investment, uncertainty, bankruptcy) and on the demand side (limiting consumer activity).

The coronavirus pandemic has become an unprecedented stress test for globalization. Against this background, the expansion of cooperation between the BRICS countries and beyond, active support of NDB in the field of combating the pandemic (joint research and development, strengthening cooperation in international organizations, etc.) will not only enhance the authority of the BRICS, but also strengthen the atmosphere of trust and mutual support in the world.

The world has changed dramatically. It is likely that the world economy in 2020 will experience the worst recession since the Great Depression and it will be larger than the one that was during the financial crisis at the end of the last decade.

The only major economy that is believed to be able to avoid a recession will be the BRICS member China (+ 1.9%). According to IMF report, in 2020 Brazil's GDP expects a decrease of 5.8%, Russia – 4.1%, India – 10.3%, South Africa – 8%. In 2021, active recovery growth will be observed in all BRICS countries, while China and India will demonstrate the highest growth rates – 8.2% and 8.8%, respectively.

A tangible decline in business activity in the world, closure of enterprises and disruption of supply chains, collapse of consumer demand and curtailment of tourism, disruption of financial flows, excessive volatility of commodity markets – these are the main factors associated with the pandemic that will determine the state of international trade in 2020. This will last until the situation with coronavirus in the world will not change for the better and the consequences caused by it will not be overcome.

Under these conditions, it is more important than ever for the BRICS countries to show solidarity, cohesion and mutual support in all key areas of cooperation. BRICS need to apply all available measures that support more equal societies and expand access to opportunities,

which can contribute to both reducing inequality and strengthen the growth trajectory. Many measures have already been taken by BRICS individually, although there is scope for more cooperation and sharing best practices in such areas as digitalization and development of remote and rural areas.

BRICS countries economic recovery based on inclusive cooperation and mutual support will be another good chapter of BRICS future socio-economic development with many good business opportunities.

It is important to bear in mind that the BRICS Business Council was created by the governments in 2013 to be the main mechanism of dialogue between the private sector and the governments of the BRICS countries, with the responsibility to address the most important business demands, proposals and initiatives that could contribute positively to trade and investment.

In this regard, the Chairpersons of the BRICS Business Council are honored to submit the “BRICS Business Council Annual Report” to the Leaders of the BRICS states. The document propose 36 main recommendations in different economic sectors which reflect the results the BRICS Business Council wish the governments to pursue, both in the medium and in the long term.

We look forward to discuss those recommendations and to contribute with its implementation.

Moscow, 10 November, 2020.



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SUMMARY



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1 SUMMARY OF RECOMMENDATIONS FOR BRICS GOVERNMENTS

The recommendations of the BRICS Business Council (BBC) to the BRICS Governments are summarized, as following:

Agribusiness:

1. Build a conducive ecosystem for Agri start-ups and Models of Incubation
2. Ensure Sustainable agriculture
3. Maintaining Soil Health and Soil Fertility Management
4. Promote Digital Ecosystem for Agriculture
5. Minimizing the impact of COVID-19 on agricultural trade
6. Harmonization of regulatory rules and market access
7. Explore BRICS Product labeling
8. Promote Agricultural education and training

Aviation:

9. Exchange of BRICS countries best practices in developing civil aviation, airport infrastructure and air cargo transportation

Deregulation:

10. Move towards barrier free BRICS – Adopt BRICS Barrier Free Declaration 2020
11. Merge efforts to recover from pandemic crisis faster and learn together how to live in a new world
12. Launch formalized BRICS best practices in deregulation exchange
13. Facilitate BRICS people mobility

Digital Economy:

14. Promote safe and powerful digital infrastructure development for providing reliable connectivity at affordable prices in remote and rural areas
15. Develop BRICS Digital Literacy Plan of Action to address the Industry 4.0 challenges (in cooperation with Skills Development Working Group)
16. Promote national e-commerce platforms and develop recommendations on common standards for them
17. Strengthen cooperation in the field of technologies exchange through e-commerce channels and provide access to available technologies for SMEs
18. Protect the rights and legitimate interests of individuals and business units in the digital economy

Energy and Green Economy:

19. Encouraging carbon disclosure
20. Development of “green certificate” mechanism
21. Enhancing Cooperation in peaceful use of nuclear energy
22. Take anti-COVID Joint Actions

Financial Services:

23. Launch BRICS Alliance on AI Development as an instrument to pursue mutually shared interests in managing the impact of AI on finance and its wider implications across national economies and on society
24. Establish a system for sustainable and priority financing of eco-friendly vehicles favoring Electric and natural Gas (LNG and CNG) Transportation (EGT) in BRICS countries
25. Launch a mechanism to support interaction between the BBC and the New Development Bank
26. Create a BRICS SME Performance Database and communication platform designed to reduce borrowing interest rates and improve efficiency of state support measures for SMEs
27. Create a list of SME projects targeted for support by state-sponsored Intellectual Property Pledge Financing (IPPF-based financing)
28. Launch a BRICS national investment and support e-platform for the BRICS financial community

Infrastructure:

29. Increase logistics connectivity among the BRICS countries and within their regions, as well as in the “BRICS plus format” to foster trade and accelerate economic development. Study opportunities to reduce barriers for international trade and economic activity. Prior attention should be focused on regulation and simplification of the customs’ procedures
30. Support joint projects of the BRICS countries in the field of infrastructure development. Highlight the importance of the development and implementation of transport network infrastructure projects, including rail, road, sea and air. Support development of railway and maritime transport in the BRICS countries
31. Improve mechanisms of promotion and support of infrastructure projects (by extending practice of PPP-projects, establishing Project Preparation Fund through NDB, applying syndicated loans, and support of Unsolicited bids/proposals)

Manufacturing:

32. Exchange of the BRICS countries best practices in waste management, development of “Smart cities” solutions and electromobility.

Skills Development:

33. Create a sustainable space to exchange BRICS skills development experience, supporting and developing both physical training centres and digital knowledge hub, which would act as a repository of sharing of BRICS Skills Development best practices/ experiences/relevant projects/key national initiatives
34. Support further development of the BRICS Future Skills Challenge to enhance multicultural cooperation
35. Promote the development of new and continuing cooperation projects within the BRICS skills development area (Atlas of emerging jobs, Scenario building for emerging sectors, BRICS Future Skills Training Base, work with talented youth, capacity building, technology innovation, etc.)
36. Assure financial means for the promotion of technical cooperation projects amongst BRICS countries

ABOUT BRICS BUSINESS COUNCIL



The BRICS Business Council was created in 2013 at the V BRICS Summit in Durban, South Africa, bringing together the private sector from Brazil, Russia, India, China and South Africa.

The BRICS Business Council was established to strengthen and promote economic, business and investment ties among the business communities of the BRICS countries, ensuring regular dialogue between business communities and governments, and identifying trade and investment related bottlenecks in their relationships with the responsibility to address the most important business demands, proposals and initiatives that could contribute positively to trade and investment.

In this regard, the Chairpersons of the BRICS Business Council have the honor to submit the “BRICS Business Council Annual Report” to the Leaders of the BRICS states. The document propose key recommendations in different economic sectors which reflect the results the BRICS Business Council wish the governments to pursue, both in the medium and in the long term.

In addition to its members, the BRICS Business Council counts on other members of the five countries, participants in the nine thematic working groups, namely: Agribusiness; Digital Economy; Skills Development; Deregulation; Energy and Green Economy; Infrastructure; Manufacturing; Aviation and Financial Services.

The Council and the working groups meet face to face twice a year at the Midterm Meeting and at the Annual Meeting, before the BRICS Summit.

2020 became an extremely challenging year for the BRICS Business Council in view of pandemic of COVID-19. Through all the difficulties and limitations, the Council members continued their work in a distant format.

The BRICS Business Council is rotating and annual. The Russian section of the Council, led by the Chamber of Commerce and Industry of the Russian Federation, began its presidency in January 2020, and will be succeeded by the Indian section.

3 BRICS BUSINESS COUNCIL MEMBERS



BRAZIL

Jackson Schneider *Embraer Defence and Security, President and CEO*

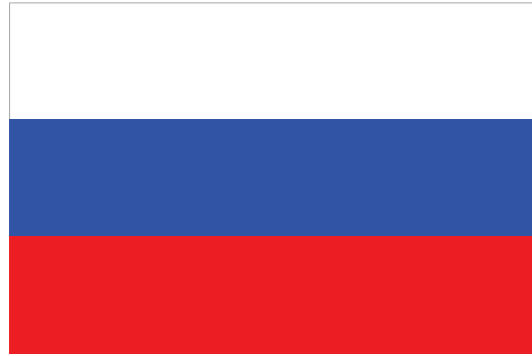
Harry Schmelzer Jr. *WEG, President and CEO*

Pedro Parente *BRF, CEO*

Jayme Pinto Junior *Banco do Brazil, General Manager*

Eduardo Bartolomeo *Vale, President*





RUSSIA

Sergey Katyrin	<i>CCI of Russia, President</i>
Igor Shuvalov	<i>State Development Corporation VEB.RF, Chairman</i>
Kirill Dmitriev	<i>Russian Direct Investment Fund (RDIF), CEO</i>
Sergey Chemezov	<i>Rostec State Corporation, CEO</i>
Oleg Belozеров	<i>JSC Russian Railways, CEO – Chairman of the Executive Board</i>



INDIA

Onkar Kanwar	<i>Apollo Tyres Ltd, Chairman and Managing Director</i>
Jai Shroff	<i>UPL Limited, Global Chief Executive Officer</i>
Naina Lal Kidwai	<i>Advent International Private Equity, Chairperson, India Advisory Board</i>
T V Narendran	<i>Tata Steel Ltd., Global CEO and Managing Director</i>
Vikramjit Singh Sahney	<i>Sun International Pvt. Ltd., Chairman</i>





CHINA

Xu Lirong	<i>CHINA COSCO SHIPPING Coporation Limited, Chairman</i>
Lyu Jun	<i>COFCO Corporation, Chairman</i>
Lu Yimin	<i>China General Technology (Group) Holding Co., Ltd., President</i>
Chen Siqing	<i>Industrial and Commercial Bank of China (ICBC), Chairman</i>
Dai Houliang	<i>China National Petroleum Coporation (CNPC), Chairman</i>



SOUTH AFRICA

Busi Mabuza	<i>IDC, Chairperson</i>
Bridgette Radebe	<i>Mmakau Mining, Executive Chairperson</i>
Ayanda Ntsaluba	<i>Discovery Ltd, Executive Director</i>
Stavros Nicolaou	<i>Aspen Pharmacare, Executive Director</i>
Elias Monage	<i>Afrika Group, Executive Chairperson</i>



4 BRICS BUSINESS COUNCIL WORKING GROUPS STOCKTAKING

4.1. ISSUES WITH CONSENSUS

AGRIBUSINESS

Agri start-ups and models of incubation

Context: Most countries have a multiplicity of institutions which are leading the Incubation and Start up agenda for the Governments in the Agricultural domain. Agriculture being a key domain of focus for the Governments with all its social and economic implications for a large segment of the population, it would be good if the BRICS countries plan to have an agency for cross border exchange of ideas, expertise and support to help grow the agri start-up ecosystem. This will also help in proper listing of start-ups and their scope of work and will lead to experience sharing.

Models of incubation for agri start-ups

This can be achieved through linking up the national level institutions and incubation centers across the BRICS countries so that the reach and market maximisation can be achieved in a faster manner through collaboration of similar scope start-ups in the other countries.

The map of Russian agricultural start-ups accounts more than 70 companies in such areas as Smart Farming (precision agriculture), Alternative Farms, Biotechnology, Infrastructure and others. About 11 agricultural startups have recently attracted investments in Russia. Agricultural startups incubated in Russia may be useful for other BRICS countries. Linking of national institutions and incubation centers across our countries will help in exchanging ideas and sharing experience.

CITIC Agricultural Fund, China, in conjunction with the Hainan Provincial Government, operates and manages the South Breeding Incubator through the mode of 'equity investment + laboratory incubation + industrial transformation'. The incubator consists of a venture capital fund and a global leading public biological breeding laboratory platform, and its operation goal is to excavate and cultivate technologies, achievements and teams with significant commercial value in the global frontier agricultural biotechnology industry chain, and to complete its industrialization and commercialization as soon as possible through continuous full life cycle incubation services. The services provided by the incubator include fund investment, provision of laboratory venues and equipment, development planning, government relations and preferential policies, transfer of scientific research achievements, financing and listing, etc. CITIC Group Agricultural System will provide resources such as scientific research and management personnel team, global agricultural resources network, docking of government relations, absorption and transformation of scientific research achievements for the operation of the incubator.

There are about 450 start-ups in the Indian agricultural space. The number is growing at the rate of about 25 percent, year on year. The total venture capital funding in Agritech start-ups in India since 2014 is approximately USD 545 million. Indian Agritech start-ups are trying

to solve multi-dimensional problems prevalent in Indian agriculture. Few areas where Agritech start ups have made significant impact are (a) Improving Supply Chain and taking farmer's product directly to the consumers (b) Driving transparency, traceability and real time access to information (c) Taking quality inputs to the farmers for better productivity (d) Making services affordable to small and marginal farmers (e) Innovations taking roots in farmer financing. From the perspective of application of technologies, majority of the start-ups are developing applications in digital technology and food technology. The innovations by Agritech start ups in India have huge potential for benefitting farmers through increased incomes, reduced cost and mitigation of risks associated with farming.

Benefits: Build a conducive ecosystem for scaling Agri start-ups in BRICS nations.

Sustainable Agriculture

Context: The goal of sustainable agriculture is commonly postulated as meeting present food and textile needs without compromising the ability of future generations to meet their own needs. BRICS countries may develop and share models for sustainable agriculture.

Climate Change

Measures to mitigate climate change involve the control and reduction of greenhouse gas (GHG) emissions. Effective nutrient management decisions help farmers to increase productivity per unit of land and to reduce GHG emissions by improving practices. Conservation tillage systems that have the potential to conserve soil and water by reducing their loss are considered as management practices to stabilize the global climate system from additional change. In addition, better management of grazing lands could increase productivity and create carbon sinks with the potential to help offset livestock sector emissions.

Biotechnology

It is suggested to keep pushing the consensus reached at the 2019 BRICS conference in Brazil and to continue to promote modern biotechnology cooperation among BRICS countries, to strengthen dialogues and consultations in areas such as biotech safety review and germplasm research and development. The use of biotechnologies such as biological fertilizers and biomodified mineral fertilizers, biostimulants and bioantistressants can provide increased productivity through the use of previously unused soil resources and useful microbial metabolites. The study of soil microbial consortia and the exchange of information on collections of beneficial microorganisms with a database comparing their effectiveness can expand their scope in the BRICS zone. Biotechnologies in the detection of pathogenic microorganisms, biological plant protection products, seed production and genome editing can greatly help to maintain the crop under stress, an unfriendly climate and other adverse factors in agriculture by providing high yield insurance.

The BBC relies on the support of the BRICS authorities to promote the first annual meeting of the BRICS regulatory agencies that oversee agricultural biotechnology in 2020, including private sector participation. It is also suggested that this first annual meeting could be held at the margins of the BRICS Agriculture Minister Meeting and become an official meeting of the BRICS calendar.

The BBC recommends that the BRICS countries will negotiate a BRICS Agreement on Agricultural Biotechnology Cooperation, and the corresponding Declaration will be signed at earliest.

Water usage, water saving and regulation systems

Water scarcity directly affects the world population in water stressed regions of every continent representing a growing global problem for humanity. BRICS countries are already facing water scarcity problem either in a national or regional perspective.

Integrated (sustainable) water resources management and pollution treatment should be applied in order to address the global water challenges.

China has adopted "Conservation Agriculture" that helps in creating favourable soil conditions. A study conducted in China showed that favourable soil conditions can enhance Water Use Efficiency by 10.3% for maize and 15.7% for wheat.

India is making efforts to move up on the water usage, conservancy and recirculation by advanced precision agriculture, which will direct the water to the precise seed bed, thereby reducing the quantity of water even up to 30% of current needs. Use of micro-irrigation systems can improve fertiliser and power use efficiency by 28% and 30% respectively and this can be directly translated into considerable water savings. To spread the benefits of microirrigation, Government of India has launched Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) programme in July 2015 with prime objectives of convergence of investment in irrigation at the field level, expanding total irrigated land under cultivation, improving water use efficiency and adopting precision irrigation technologies. Few areas where industry is making an effort to improve water use efficiency in India includes – (a) Assistance to farmers in soil and water conservation, water management, construction, renovation and maintenance of water harvesting (b) Soil and water testing services (c) helping farmers to solve the drought-related issues by implementing drip irrigation to ensure an economical use of water (d) promoting techniques which improve soil water retention capacity and groundwater levels.

Hence, BRICS should lead the way by adopting the best practices / sharing of best practices in terms of how water usage is regulated for use in the Agricultural Domain (surface water, underground water).

All BRICS countries should map the best practices within their country and within their immediate neighbourhood and list down the best practices and then define the goal in terms of a composite index or score that each country commits to deliver on for the next 5-10 years.

BRICS countries should enhance cooperation to work together to improve their water infrastructure and water resource management especially in Agriculture domain.

Water use efficiency (WUE), defined as the efficiency with which an individual crop converts water used to harvested yield is an important criteria especially in the arid and semi-arid regions of the world. Effective nutrient management decisions help farmers to achieve higher yield under the same irrigation conditions and thus to improve WUE.

Benefits: Meet sustainable agriculture goals in BRICS countries. Improved water resource management in agriculture.

Soil health and soil fertility management

Context: Maintaining *soil health* (or soil quality) and high crop yields are the two major *challenges* for food security. Future generations need *healthy soils*. All stakeholders including agricultural producers, environmentalists, agricultural scientists, policy makers, and consumers have become aware of the critical importance of *healthy soils*.

Soil health

Soil health decline is caused by soil erosion, unbalanced nutrient use *and nutrient mining*, and reduced use of organic fertilizers. Soil health may be characterized by a complex of biological, chemical and physical properties. Crop nutrient removal without adequate fertilization, i.e. a negative soil nutrient balance, results in lower nutrient availability in the soil. The long-term strategy focus on phosphorus-depleted soils implies the build-up of soil fertility level to the optimal range and further maintenance.

Soil quality and long-term sustainability being the key concern, residual fertility management should be a key focus area for each of the BRICS countries.

For instance, in some South American countries, when farm land is given back by the Corporates after a long term lease, the residual fertility of the land at the time of handing back should be same/similar to what it was when the land was taken. Also countries have adopted No-Tillage (NT) practice which generally led to increased aggregate stability and greater soil organic matter (SOM) content. Reducing the chemical and technical load on the soil, developing soil-friendly farming technologies, ecological and organic farming in combination with agricultural techniques to reduce CO₂ and NO_x emissions in agriculture can help organize green ecological farming and preserve the environment in areas of intensive agriculture. This ensures that proper agricultural practices are carried out with a clear view of long-term sustainability of land.

Optimized plant nutrition with minimum environmental impact

The following major aspects with regard to plant nutrition and environmental impact are taken into consideration: soil fertility status, crop nutrient requirements during a growing season, the best source of nutrients and the best placement method.

Phosphate fertilizers free of Cd and having the lowest As, Pb, Cr and Hg content may be safely applied to the soil over many thousand years.

BRICS countries can explore the possibility of establishing a collaborative platform to share best soil management practices and facilitate the exchange of sound technologies and know-how with participation of public and private stakeholders.

Best practices in each of the countries should be shared and then committed to for the next 5-10 years.

Smart fertilizers

The portion of nutrients applied in the field is usually not taken by plants and is lost through leaching, runoff, volatilization, and nitrification. Smart fertilizers, i.e. enhanced efficiency fertilizers, including controlled-release fertilizers and stabilized fertilizers. Controlled-release fertilizers with polymer and semipermeable coatings are helpful in increasing nutrient use efficiency. The phosphorus and nitrogen products may be with coatings that shield phosphorus from

reactions that create less soluble phosphates in the soil. The example of stabilized fertilizer produced is urea with urease inhibitor. Urease and nitrification inhibitors are potentially useful tools for reducing gaseous losses of nitrogen following fertilization with nitrogen fertilizers.

Fluid fertilizers

Fluid phosphorus fertilizers in some environments have advantages over granular water-soluble phosphorus fertilizers. Liquid Ammonium polyphosphate fertilizer (APP) can be easily mixed with many other macro- and micronutrients and agricultural chemicals, and fluid mixtures allow uniform *distribution* of applied nutrients. Plants are able to use phosphorus with this liquid very effectively. New more effective liquid forms of fertilizers can provide plant nutrition for new forms of agriculture such as hydroponics, aquaponics and No-Tillage (NT) practice.

Special fertilizers

Agricultural crops need soluble forms of silicon at the level of 70-700 kg/ha per year. For a long time, this direction was not given attention, depleting the soil resource for this element. Development of silicon water-soluble fertilizers to improve both plant nutrition with silicon and plant protection from disease and environmental stress. This new products may be used for seed treatment, foliar application, root nutrition.

Variable rate fertilizer application

Variable rate technology for *fertilizer application* means an *effective use of resources*. This technology requires online determination of soil nutrient status in the field. There are activities on variable nitrogen rates based on satellite imagery. *Advanced farmers also do variable rate application of phosphorus and potassium*.

Organic farming

It is important both economically and environmentally to apply agronomically optimal rates of nutrients in organic farming systems. New fertilizers are required for organic farming systems, especially with low application of farmyard manure. As example, we are looking for new mechanisms in order for rock phosphate to become plant available.

Benefits: Improved soil health that will ensure sustainability in agriculture. Share findings on plant nutrient management and environmental impact.

Digital Ecosystem for Agriculture

Context: By 2050, food demand in the world will grow by 70%, while the current growth rate of agricultural productivity is below the level required to fulfill this need. There is a need for BRICS countries to implement innovative technologies in order to increase crop production in the agricultural sector (Upstream), as well as to optimize the interaction of all market participants (Downstream).

Digital ecosystem

To optimize all market participants interaction, it would be good to create a digital ecosystem that covers their needs with the help of digital services and online applications.

On Russian market there are already some good examples of digital platforms created to simplify farmers' access to knowledge and expertise, speed up the procurement process, lead to transparent pricing and ensure the personalization of the product offerings. Such platforms can also become an effective ecosystem, connecting medium and small farmers from the BRICS countries with the reliable suppliers of fertilizers, plant protection products, seeds and equipment; as well as serving the liaison with the related Government officials and organizations, banks and finally with the end consumer.

It is suggested to communicate with the Digital Economy Group and share more experience and practices in the field of agriculture.

Benefits: Digitalization of relationships/interactions of market participants using digital platforms and ecosystems increases the transparency and accessibility of the agricultural market, as well as increases business efficiency for all participants by reducing transaction costs, creating a unified information environment that leads to a decrease in "time to market" and the formation of new ties, including intersectoral.

BRICS countries should work together to minimize the impact of COVID-19 on agricultural trade

Context: With the continuous spread of coronavirus (COVID-19) pandemic, the normal development of global agricultural trade has encountered greater challenges. The factors including the decline in port efficiency, liner route reduction, the increase in transfer fees and the lack of refrigerated containers have leading to higher transport costs. Some countries impose restrictions on the export of agricultural products, resulting in poor supply chain and reduced food supply. In addition, the technical barriers to trade and reduction of customs facilitation also hindered the flow of agricultural trade. Therefore, it is jointly proposed:

1. BRICS governments should support and assist their enterprises in strengthening dialogue and cooperation with ports, shipping organizations and shipping companies to ensure smooth international shipping routes for agricultural products.
2. BRICS governments should avoid issuing policies that restrict normal import and export of food and jointly call on other countries to work together to remove food export restrictions, minimize disruption to food supply chains and ensure global food security.
3. Taking agricultural trade facilitation as a starting point, BRICS governments should formulate relevant policies and measures during the pandemic period.
4. BRICS agricultural companies and industry associations should strengthen communication and exchanges in production, processing, packaging and transportation, share experiences and practices in pandemic prevention and control, and minimize the impact of pandemic on agricultural trade.

Benefits: working together to share experiences and reduce the negative impact of COVID-19 pandemic on BRICS agricultural trade, ensuring global food security

Harmonization of regulatory rules and market access

Context: Market access was discussed at length at the Brazil BRICS Business Forum and we need to develop a protocol on expanding agricultural trade between BRICS partners.

The biggest input in GDP of all 5 countries are formed by Agriculture and Industry Sectors. The agricultural trade has the pressure of excessively regulation in area of sanitary and phytosanitary requirements.

Area for introduction

According to BBC Report 2019 it is proposed to choose main agricultural products and industrial products.

Proposed groups of products for Harmonization of National Regulations:

1. The crop production:
 - Raw products received from the harvest;
 - Processed raw agricultural products (flour, vegetable oil and processed animal products).
2. The livestock products:
 - Raw products resulting from the animal husbandry;
 - Products of beekeeping;
 - Fish farming products (including fish caught in ponds and natural reservoirs, subject to cultural fish farming).
3. The industrial products:
 - Crop protection products;
 - Fertilizers;
 - Biostimulants.

Benefits: Optimization and mutual recognition of BRICS countries certificates.

BRICS product labelling¹

Context: Product quality, health and environmental safety could be guaranteed to consumers by a special BRICS product labelling. The entire chain starting from agricultural input production (labelling fertilizers, and etc.) to crop production (coffee/tea quality seal) and finally to the retailer/supermarket may be certified by applying a voluntary approach.

Benefits: The presence of a label can confirm the quality of products and compliance with the certification system.

Coffee quality seal, coffee exchange and coffee future market index

The objective is to provide market access for coffee industry chain.

Brazil is the largest coffee producer of the world, accounting around 33% of the world's coffee production, being also the largest coffee exporting nation. The product ranks as one

¹ The subject of BRICS product labelling (including Coffee quality seal and Tea quality seal) requires consultation with larger set of stakeholders from plantation sector in India. India Chapter requests further discussion for exploring benefits of this proposal before taking a view on the same.

of the most important revenue generators for the Brazilian economy. Among BRICS countries, Russia is the largest coffee trading partner, being overall the 13th largest coffee trading partner of Brazil where the coffee consumption approximately rises at a 3% yearly rate. In China coffee consumption is consistently rising at a two digits rate. In the current scenario, China imports only 6% of its coffee from Brazil, having Vietnam accounting 40% of its imports, Indonesia 14%, Malaysia 7% and USA right after Brazil accounting 5% of Chinese imports. Brazilian coffee is marginally being traded in China, a country where the consumption of coffee should be built in a direct import basis supply chain. In India and South Africa coffee consumption and production is also increasing. Between BRICS countries, only Russia doesn't register production of coffee beans due to temperatures and soil characteristics. Intra BRICS trade in the coffee chain is one of the most potential industries to be developed. For the before mentioned reasons, Brazil requires the introduction of two policies to engage BRICS countries to embrace the coffee industry facilitating intra trade adopting a BRICS coffee quality seal – a certificate that will help publicize the coffee industry based in the opening of a BRICS coffee exchange in China, as an alternative to the coffee Arabica future contracts in the western, currently having its main index being traded at the New York coffee exchange. Coffee has one of the highest price volatility indexes in relation to stock exchanges and this sensitivity in prices is due to several reasons combined directly with the supply and demand of the product combined with market factors and non-systemic factors. For the exporter, investing in the future market it is an alternative for price protection and against the risks assumed together with the investment in the purchase and storage of coffee beans. For the producer, it is necessary to have information about his crop, labour and pest control costs so that he can sell his product at a good price, as the distance between producers and importers is becoming increasingly smaller, so it is essential for producers to understand future reae operations and to know how to protect themselves from price fluctuations to be able to value their production. The entry of new consumer countries such as China may also open new horizons to trade specialty coffees. In this scenario, speculation is a risk that everyone involved in the coffee industry should not take so it is important to take a protective position using future market strategies to avoid losses and build effective strategies in a market that tends to become even more competitive. Using tools such as hedge collaborates to make the coffee chain more dynamic and less susceptible to market variations and changes in the scenario. When reaente the participation of Brazil and the other BRICS countries in the international coffee market and production, the use of modern tools turns out to be mandatory – which supports the bases for price protection and risk management, while the opening of a BRICS Coffee Exchange in China would help the coffee chain to balance the sector adjusting it to a global trend helping the coffee producers. The potential increase in coffee consumption on the eastern axis benefits the entry of the coffee produced in BRICS in a more pro east world. The BRICS seal also also opens the Brazilian market for selected coffees in the other BRICS countries, since the Brazilian market is the second largest coffee market in the world.

Zhengzhou Commodity Exchange of China is conducting in-depth research on coffee future contracts, hoping to strengthen exchanges and cooperation with Brazil and other countries.

Benefits: full block chain control from raw materials to final product.

Creating a quality seal would encourage coffee to be the first product to receive a seal benefiting coffee industries in the BRICS countries as a marketing tool based in the foundation of a BRICS Coffee Exchange. This policy can place BRICS countries on an equal footing in coffee production. In addition, BRICS countries can create a common coffee culture at the most widely accepted stage of coffee cultivation. Trading coffee in coffee exchange based in coffee future market index in the east increase coffee consumption in eastern countries, helping to increase coffee prices around the world, a constant discussion that aims to give producers better livelihoods when accounting fair margins for their coffee.

Tea quality seal

The objective is to provide market access for tea industry chain.

Tea is a worldwide drink, and its health benefits has been recognized by consumers. The establishment of May 21 as 'International Tea Day' by the Food and Agriculture Organization of the United Nations further proves the importance of tea drinking.

Among the BRICS countries, China and India are the main tea producers in the world. China is the largest tea-producing country in the world, accounting for about 44% of the total global tea output, and the second largest tea exporter in the world, with the largest number of tea categories.

India's tea production and consumption rank second in the world, and its tea export ranks fourth in the world.

Russia is an important tea consumer and importer in the world, ranking fifth in tea consumption and second in tea import. Russian tea consumers account for more than 93% of the national population, tea consumption is mainly black tea, accounting for about 90% of imported tea. However, in recent years, the import of green tea has shown a rapid upward trend, which proves that the health attributes of green tea have gradually been recognized by consumers.

Brazil consumes about 5000 tons of tea per year, most of which is produced locally, and imports no more than 10%. However, in recent years, the output of tea in Brazil has been decreasing year by year, and the import volume has continued to grow.

A needle-like shrub growing in Cedarberg and other areas of Western Cape Town, South Africa, is processed to make a natural health drink called South African tea, but it is not a real tea. South Africa imports about 20000 tons of tea every year.

BRICS countries are one of the most potential tea markets. In view of this, China hopes to adopt two proposals, one is to establish a BRICS tea quality seal system. The seal can be used for tea products certified by the designated trade associations and testing institutions under the system. This system will further improve the quality of tea and promote internal trade.

The second is to deepen exchanges and cooperation in the field of tea among BRICS. Taking the promotion of tea trade to Russia as an example, the specific measures are as follows:

1. To coordinate the multi-departments between China and Russia, to form an effective common system of export standards, and to ensure the quality and safety of tea;
2. The trade associations of the two countries jointly build a long-term mechanism of cooperation and information exchange and communication, and regularly exchange tea data such as production, trade and market prices;
3. Tea events such as International Tea Day and Tea Development Forum are held regularly to promote all-round exchanges of tea culture, tea finance, tea tourism and tea trade;
4. Through holding Chinese tea exhibitions, tea tasting competitions and setting up 'Chinese Tea' special pages on mainstream social media official websites, we will further increase the publicity of green tea, and guide the consumption of health drinks;
5. Jointly build a cross-border e-commerce platform, make tea a key product of cross-border trade, and promote Chinese famous tea and special tea to the Russian middle class.

With the in-depth promotion of tea in the Russian market and the warming of consumption, it will promote more tea to CIS and Central Asian countries, and drive regional and even global tea consumption.

Benefits:

- Full block chain control from raw materials to final product.
- Creating a quality seal would encourage coffee to be the first product to receive a seal benefiting coffee industries in the BRICS countries as a marketing tool based in the foundation of a BRICS Coffee Exchange. This policy can place BRICS countries on an equal footing in coffee production. In addition, BRICS countries can create a common coffee culture at the most widely accepted stage of coffee cultivation. Trading coffee on the coffee exchange based in a coffee future market index in the east can help increase coffee consumption in Asian countries, which is a trend, helping to increase coffee prices around the world, a constant discussion that aims to give to producers better livelihoods when accounting fair margins for their coffee.
- The creation of quality seal will encourage tea to become a product that receives a seal after coffee, benefiting the tea industry of the BRICS countries. This policy can put the BRICS countries on an equal footing in tea production.
- The expansion of tea markets in Russia, CIS and Central Asian countries will increase the export of tea in producing countries and provide better livelihoods for tea producers, especially small ones.

Agricultural education and training

Context: BRICS countries have valuable experience in agriculture and it is promising to share such knowledge through educational and training platforms. On the other hand, the industry is facing the lack of qualified personnel with the knowledge of the new technologies (for example technologies used for precision agriculture).

Educational and training platform

Russian fertilizer industry in cooperation with agrarian universities develops an educational and training platform for undergraduate students. Lectures and practical seminars provide a lot of valuable and practical information, including the course on digital technologies, sustainable agriculture, soil health and soil fertility management, in addition to basic educational courses. Students learn the entire chain starting from fertilizer production to crop production. The above-mentioned program has been successively started at the *Russian State Agrarian University – Moscow Timiryazev Agricultural Academy*. It seems important to share BRICS experience and to organize agricultural web events as a first step.

Benefits: Build an educational and training platform to share agricultural expertise among BRICS countries.

AVIATION

Best practices of the BRICS countries in developing Civil Aviation.

Context: The civil aviation industry of the BRICS countries needs to enhance its integration into global added-value chains through the formation of new high-tech specialized centers projecting the region as a world leader of the aviation industry.

The BRICS countries should continue the development, production and maintenance of civil aircraft and its components at the same time it should strive for integration into the existing international added-value chains.

The potential for the development of civil aviation in the BRICS countries is a fact that is obvious to world investors and therefore the BRICS countries must pursue a policy of “openness” in trade and investment.

Thus, the main efforts are aimed, on the one hand, at attracting foreign capital and on the other hand at improving regulation for a healthy business development environment.

The main mechanisms for the development of civil aviation industry in the BRICS countries should be:

- Attracting foreign direct investment (FDI), including through liberalization of investment legislation;
- WTO compliant government support measures: from pre-competitive R&D financial support to the construction of aviation infrastructure and assistance in promoting global civil aviation markets;
- Internationalization and participation in international civil aviation partnerships, the inclusion of national companies in the supply chains for foreign companies which allows them to master the production of special components;
- Providing loans to potential buyers and financing of export transactions in compliance with international trade rules to create conditions for national civil aircraft manufacturers to enter the world market, guaranteeing a global level playing field.

Thus, the commercial success of the civil aviation projects mainly originates from a combination of factors: level playing field close ties with world scientific and technical institutions, adaptability to the civil aviation market situation and developed international cooperation.

Participation in joint civil aviation projects within the BRICS countries is a very important aspect for the BRICS civil aviation industry development.

Resuming all mentioned above as for the civil aviation development mechanisms, which have shown their productivity in the BRICS countries, they include, first of all, state support, not only in the form of promoting a healthy business environment and a level playing but also in the exerting diplomatic promotion of exports. Other mechanisms include attempts to integrate national companies into global supply chains, which makes it possible to develop certain components, if not full-cycle production. The same applies to initiatives for the forming of joint ventures.

The Civil Aviation Industry should be supported by well defined long term aviation policy, technological advancements and greater investments in improving infrastructure. These would help in improving flight connectivity, increasing air traffic and support regional development.

Benefits: formation of new high-tech specialized in civil aviation economic centers; developing of the production of components and maintenance of civil aircraft world industry; participation in international civil aviation partnerships, the inclusion of national companies in the supply chains for foreign companies.

Best practices of the BRICS countries in developing of airport infrastructure

Context: An investment in information technology is becoming an increasingly important aspect of the development of airport infrastructure in the BRICS countries.

As a rule, IT solutions based on the use of artificial intelligence and blockchain technologies expand passenger self-service activities and increase airport security.

In continuation of the technological aspect of the development of airport infrastructure in the BRICS countries should be noted that airports should be included in the plans of the BRICS government for the large-scale deployment of fifth-generation (5G) communication networks, which are necessary to ensure the functioning of artificial intelligence technologies, biometric technologies, etc.

One of the achievements of current technological solutions in airport infrastructure is introduction of an intelligent passenger service system.

Among the main elements of this system, for example, reusable electronic tags with RFID chips can be distinguished, providing the passenger with all the necessary information about the flight and the ability to track their luggage using a mobile application.

Another innovation was the use of computer vision technology by airport employees to determine baggage and risk assessment of things left unattended.

Measures such as e-boarding, mobile check-in and facial recognition also help in faster processing and improving efficiency. These also help enhance customer experience at the airports.

Finally, only robots should operate in areas such as emergency management, fueling, etc.

The BRICS countries should take into account that there is a growing interest of the investors in the development and practical implementation of the concept of a “green airport”.

One of the guidelines for creating this type of airport include the introduction of heat pump systems with the utilization of low potential soil heat, the creation of systems for the secondary use of wastewater and storm water, the use of electric vehicles, etc.

The “green airport” model is very useful primarily in regions in the BRICS countries with tourism potential, as this contributes to their economic development.

The BRICS countries should consider that along with high-tech megaprojects of the aviation industry the countries also have the potential to develop regional airports through the introduction of the concept of economical airports.

Regional airports may stick to a simplified model (no-frills airports) with the optimum set of infrastructure facilities. Typical features of this type of airport, could be the use of buses instead of telescopic ramps, the reduction of retail space, the absence of belt conveyors, etc. These features allow you to reduce costs for both construction and further maintenance of airports, as well as speed up the time of their commissioning.

The BRICS countries should consider expand the functionality of the airport by creating an analogue of a business center on its territory – creating aerotropolises – metropolitan subregions whose, infrastructure, land use, and economy are centered on an airport.

Benefits: developed IT solutions based on the use of artificial intelligence and blockchain technologies expand passenger self-service activities and increase airport security; creation of an intelligent passenger service system; development and practical implementation of the concept of a “green airport”; creation of aerotropolises.

Best practices of the BRICS countries in developing of Air Cargo Transportation

Context: The air cargo markets of the BRICS countries are considered the most promising. Cooperation in the customs sphere should contribute to the development of air cargo transportation between the BRICS countries.

The BRICS strategy for customs cooperation has been in effect since 2017, which enshrines the “3M” (3 “mutuals”) principle – which is mutual exchange of information, mutual recognition of the customs inspection and control results, as well as mutual administrative assistance.

It is expected that the next step will be signing of the BRICS intergovernmental agreement on cooperation and mutual assistance in customs matters.

The main trends of optimization in the field of air cargo transportation include the expansion and modernization of the infrastructure of cargo terminals with an emphasis on the volume and quality of storage facilities and electronic cargo management tools, as well as improving the calculation of cost-optimal routes, and simplifying electronic document management both within companies and in the field of “business to business” (B2B). In addition, it is important to simplify interaction with customs services in the field of electronic document management.

Expansion and modernization of cargo terminals are associated with the development of access roads, increasing parking, loading/unloading areas, installation of modern loading/unloading equipment, and creation of additional fleet maintenance capabilities.

In addition, improvement of cargo terminals is associated with creation of specialized infrastructure and obtaining international certification.

One of the most important trends in this field is the creation of the “cool-chain/cold-chain” infrastructure, which provides the required temperature regime for storing and transporting medical products and perishable products. It is also important to create warehouses with a flexible functionality, with the ability to change depending on the current needs (fit-for-purpose).

Equally important is reducing airline operating costs, including fuel costs and environmental footprint, which can be achieved by optimizing fuel management via information system that allows reducing the cost and volume of fuel consumed due to online monitoring of prices at airports for scheduled aircraft flights.

Improving cost calculations and risk management should be associated with the introduction of big data technologies and cloud computing based on them in air cargo transportation.

A related trend is the introduction of the Logistics-as-a-Service (LaaS) approach, which implies involving the customer in the cargo management process through digital platforms. The approach implies the use of mobile applications that calculate routes, track cargo in real time, and manage the cost of transportation according to the “pay-per-use” principle. In addition to applications, companies can use social networks to communicate with customers.

The process of automating document flow within companies (Enterprise Content Management) and in customs procedures by transferring standardized forms to the online space is also relevant. It allows optimizing the warehouse operations and reducing the time for customs clearance using the electronic customs check system.

In relation to the warehouse operation – this is the combination of the electronic Warehouse Management System and the use of Electronic Data Interchange (EDI) technology between various computer systems in a single format, with the integration of documents (warehouse receipts, inventory lists, shipping notices, purchase orders, etc.)

In relation to customs clearance – this is a complete phasing out of paper documents, introduction of electronic customs clearance systems (EDI-customs clearance) in international terminals and, subsequently, integration of electronic customs systems (e-customs) of different countries.

The automation of warehouses through the use of automated storage and search systems, unmanned means of transportation, and the use of RFID tags is another important trend.

Localization of the process for modifying passenger aircraft into cargo aircraft is another area of development of the air cargo terminal infrastructure.

A vital factor hindering the development of the air cargo industry in the BRICS countries is the need of developing national air cargo carriers, which should be full-cycle logistics companies, capable to manage the cost of delivery.

The main obstacles to improving the organization of air cargo transportation in the BRICS countries are related to the difficulties of calculating the route and operating costs of airlines.

In addition, the BRICS countries should develop an extensive regional infrastructure of logistics air cargo hubs.

The key measures taken by the BRICS countries in the field of air cargo transportation optimization include digitalization of storage facilities, workflow automation, introduction of convenient digital applications, involving customers in the process of cargo management, and providing opportunities to influence costs. The global goal is the establishment of a streamlined digital customs.

The BRICS countries should capitalize on the opportunity for introduction of advanced digital technologies that are in line with the practice of world leading companies. One of the major areas under this is big data analysis and cloud computing.

The cargo transportation markets of all the BRICS countries have the potential for further growth. Considering this, the most common volume expansion measures include expanding the logistics infrastructure — cargo terminals and warehouses, investing in cargo air fleet, developing a route map, infrastructure, and service support.

An additional incentive for the development of air cargo transportation between the BRICS countries will be provided as a result of the harmonization of common rules for simplified digital customs clearance.

Benefits: mutual recognition of the customs matters; simplified interaction with customs services in the field of electronic document management; expansion and modernization of the infrastructure of cargo terminals with an emphasis on the volume and quality of storage facilities (“cool-chain/cold-chain”, fit-for-purpose, etc.) and electronic cargo management tools; improvement of the calculation of cost-optimal routes; simplified electronic document management, both within companies and in the field of “business to business” (B2B).

DEREGULATION

Adopt BRICS Barrier Free Declaration 2020

Context: BRICS Business Council Deregulation Working Group suggests that BRICS Business Council adopts BRICS Barrier Free Declaration 2020 (attached). The economic challenges caused by the COVID-19 pandemic require strengthened cooperation, coordination, and connectivity among BRICS. We firmly believe that BRICS can fully unlock the growth potential of mutual trade and investment, trust and transparency, and effective regulation only in a common BRICS Barrier Free Environment.

Hence, the proposed Declaration calls on BRICS Leaders and Governments to commit to paving the path towards building a comprehensive BRICS Barrier-Free Cooperation Framework, building on previous results of BRICS discussions and leveraging the expertise of business community and other outreach partners.

Benefits: The Declaration will send an important signal to the world demonstrating BRICS partnership, unity, and solidarity, as well as BRICS readiness to lead by example in finding efficient joint solutions to the common challenges. The Declaration will also support implementation of Strategy for BRICS Economic Partnership by 2025 to be adopted at the St. Petersburg summit.

Merge Efforts To Recover From Pandemic Crisis Faster And Learn Together How To Live In A New World

Context: The COVID-19 pandemic has fundamentally changed the world, and within this context there is need for consideration of pragmatic and swift frameworks of cooperation between BRICS to support trade in goods, services and investment. The following recommendations are submitted to the attention of BRICS Leaders.

1. The COVID-19 challenge should be viewed as an opportunity to simplify legislation and postpone non-essential regulations that affect BRICS countries cooperation and economic activity, including within the context of any bilateral and plurilateral trade agreements previously established.

Tariff barriers and nontariff barriers to trade must be reconsidered with the full guidance and support of our respective government counterparts, and keeping national priorities in mind. Frameworks should be developed to protect and facilitate cross-border transportation and uninterrupted flow of goods between BRICS countries.

Trade facilitation, in particular custom procedures (such as pre-arrival processing of shipments, electronic documentation and payment, and the release of goods prior to the final determination of customs duties, cargo inspections by health and sanitary officials, etc.), must be streamlined.

Continuous review of electronic commerce frameworks is essential to ensure that the development of electronic commerce occurs in a non-discriminate, predictable and transparent manner, whilst keeping in mind the impact of acceleration through cloud-computing, blockchain and related technologies, and ensuring the confidentiality of data, consumer protection and mitigating cyber threats. Associated harmonization of regulations is needed to ensure access to electronic commerce by micro, small and medium sized enterprises, including small producers and suppliers.

Harmonization of regulatory frameworks that support and accelerate the recovery of micro, small and medium sized enterprises must be prioritized.

Best practices of business initiatives and frameworks that have arisen in BRICS countries during the pandemic and contributed to the evolution of the existing and emergence of new and innovative regulations must be shared and utilized.

2. A framework to accelerate BRICS recovery plan must be developed and the concomitant resources need to be designated, to ensure that the plan is ambitious, forward-looking and executed swiftly. Measures to amplify stimulus packages that have been put in place by individual BRICS countries need to be harmonized to accelerate further trade and economic cooperation opportunities to boost commonly shared recovery.

Digital investment, i.e. investment in digital transformation of critical sectors (health, education, public administration, food and agriculture, manufacturing, energy, transport), as well as harmonization of related regulatory frameworks should be the focus of BRICS recovery plan.

BRICS should also focus on establishing a framework for the provision of a common BRICS fund for the reskilling of the BRICS workforce and advancing digital skills, data and artificial intelligence driven economy.

To provide sufficient finance for BRICS recovery plan, it is suggested that frameworks of the New Development Bank could be streamlined for BRICS countries to access capital for the above purposes.

3. BRICS should ensure adequate safety nets are established to curb the COVID-19 pandemic consequences, and hedge against potential future crises.

Testing and vaccine development through BRICS technology transfer and cooperation must be optimized, and the relevant underpinning regulatory frameworks need to be harmonized. Uniform, clear health and hygiene safety guidelines for business across BRICS countries should be developed. Harmonization of regulatory frameworks to ensure sufficient availability of personal protective equipment in BRICS countries, as well as to leverage joint procurement possibilities, needs to be undertaken.

To ensure modern ICTs are best utilized to help fight the pandemic, it is suggested that contact tracing applications developed and applied in BRICS countries should be BRICS-wide harmonized, with due consideration of data protection regulation compliance, cross-border compatibility, gathering and reporting data in a uniform and coordinated manner, creating a BRICS COVID-19 digital response toolkit for data-driven response management, and using latest analytical applications and technology.

It is vital that food security and agricultural output optimization are streamlined to meet new and unprecedented demands in the future at lower price and reduced transportation and warehousing costs, as well as that respective frameworks are put in place to enable that.

Benefits: The recommendations are aimed to mitigate the negative consequences of the COVID-19 pandemic, fast-forward the recovery, and help create safety nets for potential future crises of the same nature.

Launch Formalized BRICS Best Practices In Deregulation Exchange

Context: BRICS countries have accumulated wide experience related to the removal of administrative barriers and the introduction of practices designed to improve the various processes starting from trade regulation and to supporting micro, small and medium-sized enterprises.

BRICS Business Council Deregulation Working Group suggests experience-sharing mechanism should be established, to make BRICS best practices development experiences available and accessible, and broaden the existing knowledge base.

Effective knowledge and practice sharing require both political commitment and the leadership of practitioners in implementation. BRICS policymakers should fully and deliberately support knowledge sharing through sustained engagement. Practitioners should take the lead in implementation through peer-to-peer experience sharing mechanisms and activities.

BRICS countries should ramp up their collaboration to provide easier access to relevant development experiences, which now reside on diverse platforms or are not yet captured or documented.

BRICS Business Council can act as a connector to link actors to relevant practices and practice sharing platforms and processes.

Practice sharing activities and programs should be designed and implemented with a results framework in mind. This will lead to capacity development outcomes, which in turn will contribute to the overall development goals. Practices exchanges should extend beyond government-to-government relationships and encompass non-state actors to ensure a diversity of perspectives. The exchanges should also be aimed at promotion of continuous long-term interactions among practitioners.

BRICS countries are encouraged to develop deliberate and concrete institutional arrangements to formulate their practice sharing strategy and implement practice exchange activities in a wide spectrum of cooperation agenda.

Example:

In 2019, Agency for Strategic Initiatives has launched the Smarteka digital platform <https://en.smarteka.com/about> for regional sustainable development practices, outlining already implemented solutions to socially and economically significant tasks that have a measurable result and the potential for replication. Smarteka has the potential to be utilized as BRICS-wide knowledge-sharing and collaboration platform.

Benefits:

- Easier search and exchange of social and economic practices for all BRICS countries.
- Extended cooperation between BRICS active communities in various sectors.
- Creation of BRICS Smart Solutions Library.
- Basis for BRICS specific contests and awards (f.e. BRICS Smart Solution of the Year in various categories).

Facilitate BRICS People Mobility

Context: BRICS people mobility has been high on BRICS Business Council Deregulation Working Group agenda for several years now. Moreover, BRICS countries are taking significant steps in this domain, including provision of long-term multiple-entry visas for bona-fide frequent business travelers, further simplification of the visa procedures among the BRICS countries for short-term tourism and other non-business purposes, and streamlining the procedures of mutual granting by the BRICS countries for each other's nationals of the study and work permits.

However, with the COVID-19 pandemic constraints, international travel has been largely put on hold. As the situation gradually will start to improve, we believe it will be of high importance to reinvigorate BRICS-wide people mobility, thereby contributing to boosting mutual trade and investment.

To achieve this, it is suggested that consultations among the BRICS countries' relevant authorities should be set up on the following issues.

1. Uniform, clear health and hygiene safety guidelines for travelling across BRICS countries should be developed in cooperation between the public and private sectors' relevant stakeholders and taking full account of the national good practices. Furthermore, BRICS health and foreign affairs authorities should jointly work on development of consensus-based and mutually recognized guidelines for healthy business people mobility.
2. BRICS should simplify visa processing procedures to facilitate business travelling, which needs to be reinforced by concluding visa facilitation arrangements. This can be achieved through special visa arrangements for BRICS countries' business travelers, introducing norms for fewer requirements for supporting documents, shortened visa processing time, issuing multiple entry visas with longer validity, inter alia.
3. Harmonization of professional standards and mutual recognition of the BRICS countries' qualification licenses, with a particular focus on standardization of certification and accreditation for selected skills programs among BRICS, need to be thoroughly considered to promote BRICS-wide mobility of skilled workforce.

Benefits: Driving forward BRICS people mobility as the pandemic constraints will start to be lifted will support the recovery, and contribute to a longer term strong, sustainable and inclusive economic growth.

 **DIGITAL ECONOMY**

Promote safe and powerful digital infrastructure development for providing reliable connectivity at affordable prices in remote and rural areas

Context: All BRICS nations are aimed at meeting the needs of the economies and its citizens for the access, collection, storage, processing and transmission of data by domestic communication networks and infrastructure in accordance with national legislation. Ensuring the safety and quality of communication networks and data of citizens is the direct responsibility of the state and private enterprise.

One of the main challenges is the provision of broadband access to the Internet. The main objective is to provide the whole population and socially significant organizations (schools, universities, hospitals, theatres, etc. as well as railways, highways, underground, etc.) with high-quality Internet access, including remote and rural areas.

To achieve the proposed objective, the following initiatives may be accomplished:

- Promote the use of modern ICT as infrastructural basis in the implementation of the national digital economy related projects and in the interests of achieving the Sustainable development goals;
- Create BRICS ICT Policies and Practices Paper to share experience and best practice in the digital infrastructure development among the five BRICS nations in the framework of expanding connectivity in remote and rural areas, adopting digital economy national programs and related initiatives, business models for implementing nationwide 5G, spectrum harmonization and affordable spectrum auctions, etc.
- Each country to consider creating a national system of centres for processing and storage of data and provide the distribution of such centres throughout the country, especially in remote and rural areas, with defining the exact type of data to be stored in accordance with national legislation;
- Provide guidance and policy regarding preferential financial and tax treatments to encourage telecom operators to expand coverage to remote areas. Financing issue may be discussed by the DEWG members with the Financial Services Working Group.

Benefits: Access of all population to the digital economy technologies and services.

Develop BRICS Digital Literacy Plan of Action to address the Industry 4.0 challenges (in cooperation with Skills Development Working Group)

Context: In BRICS countries 15% of jobs are forecast to be displaced by automation by 2030. BRICS members are fully aware of the fact that successful digitalization of the economy requires digital education of the whole population, personnel training, and involvement of governments, companies and citizens in digital transformation.

Projects and initiatives to promote digital literacy are being conducted in all five BRICS countries. The Russian side is willing to share its successful experience in promoting digital literacy in remote and rural areas with other BRICS members through creating BRICS Digital Literacy School – an education e-platform for BRICS community. India's suggestion is to create BRICS Digital Library, while South African side would like to consolidate a common BRICS ICT/STEM curriculum (free and paid for certified content) linked to job demand on a national platform. China annually prepares White Paper on Education Technology.

To address the results of the survey conducted by the Skills Development Working Group on digital gaps it is proposed to use the Digital Economy Working Group members' expertise and develop BRICS Digital Literacy Plan of Action.

At the same time, the proposed initiatives could be included in the Plan of Action as specific tasks to address the Industry 4.0 challenges.

Benefits: The Plan of Action will enable BRICS countries to formulate and implement concrete steps to bridge the digital divide among the five nations.

Promote national e-commerce platforms and develop recommendations on common standards for them

Context: Digitalization of economies is accompanied with a rapid growth in e-commerce around the world. With the growing scope of e-commerce, the BRICS countries consider it as one of the key areas for further cooperation.

The proposition to promote and support national e-commerce platforms is underpinned by the fact that it is e-platforms that are usually considered as useful tools for small and medium enterprises' inclusive development. E-commerce allows SMEs to become participants of the global market significantly reducing transaction costs for finding partners and making deals. Moreover, e-platforms can promote local and foreign business both abroad and within the national market, which in its turn facilitates export capacity of the enterprises, while ensuring that e-commerce players' activities do not contradict with foreign country's e-commerce policy.

In addition, e-platforms create global e-commerce infrastructure and ecosystem, which need to be harmonized. Since e-commerce platforms are among the key tools for boosting growth in international trade and production, it is suggested to develop recommendations on common standards for design, structure, content, and form of data storage for BRICS e-commerce platforms. Developing common recommendations for e-commerce actors will ease the use of the platforms for consumers. User-friendly interface and common features of the e-commerce platforms will increase the confidence of the e-commerce market participants.

Standards development shall focus on ensuring that the e-commerce platforms developed by the BRICS countries could be used without barriers in terms of language cognition, software compatibility, fairness in commercial interests, and respect for culture wherever possible.

Benefits: Facilitation of local business' export capacity; promotion of user-friendly interface of the BRICS e-commerce platforms and increased confidence of the e-commerce market participants.

Strengthen cooperation in the field of technologies exchange through e-commerce channels and provide access to available technologies for SMEs

Context: The group members have identified a huge demand among our countries for strengthening cooperation in the field of exchange of technologies currently in use across sectors as well as future technologies in upcoming areas such as AI, Robotics, Blockchain, Quantum & Cloud computing and their implementation in production. The use of modern technologies and software will stimulate an increase in the growth rates of industries, improve production efficiency, reduce the impact of weather and climate conditions (especially relevant for agricultural sector), and reduce the environmental load.

At the same time, it is vital to provide access to available technologies for small and medium enterprises, as they are mainly limited in resources for search of partners and technologies for their production.

SME access to world digital transformation and new technologies can be achieved through e-commerce platforms. It is proposed to create an e-platform for technologies exchange, which will make it possible to use the BRICS countries specialization in the production of modern machines, equipment, software, etc., and will enhance mutual trade in this field. Wherever necessary, the so-called "centres of excellence" may be established for adoption of the implemented emerging technologies among BRICS countries within a Public Private Partnership (PPP) structure or otherwise.

As the next possible step to be made in this direction, the group members find it vital to create, expand and promote public and private financing lines focused on SMEs investments in digital technologies

Benefits: Enhance mutual trade in the field of e-commerce; provide ubiquitous access of SMEs to available technologies.

Protect the rights and legitimate interests of individuals and business units in the digital economy

Context: The development of the digital economy in the field of information security and data privacy is hindered by such challenges as the growing scale of computer crime, including international cybercrime, insufficient information security personnel, and the backlog of some nations in the development and use of domestic software.

In this context, it is of utmost importance to ensure the stability and security of the information infrastructure, the competitiveness of domestic information security technologies

and build an effective system to protect the rights and legitimate interests of the individual, business and the state from information security threats. The group members find it vital to establish mechanism which will allow to promote information exchange and at the same time ensure information security and data privacy. It is also important not to violate the interests of IT companies in the BRICS countries by dominant foreign platforms.

The Internet has become publicly available for almost all people and BRICS nations should perceive it as the environment of public communications where certain standards and rules of communication should be respected. The standards of behavior in the Internet should be the same as in real life.

To achieve the proposed objective, the following initiatives may be accomplished:

- Ensure legal and personnel support for the implementation of information security;
- Ensure the stability and security of the functioning of information systems and technologies;
- Support the development of global rules for responsible behavior in the information space, stimulating equal management of Internet resources, non-discriminatory competitive environment for all Internet players, open and uninterrupted operation of the net;
- Support cultural and linguistic diversity in the Internet, not allowing the erasure or unification of the national identity;
- While securing the information space, need to ensure each member country's "personal and non-personal" data protection regulation, legislation and strategies are fully complied.

Benefits: Stable and secure information space for all players in the web

ENERGY AND GREEN ECONOMY

Encouraging carbon disclosure

Context: With industry being second-biggest GHG emitter after energy, the production process holds great potential for low-carbon transition and requires investment in modernization of industrial, transportation and construction assets along the production chain to cut emissions. This is especially crucial for hard-to-abate industries.

To make the next step towards low carbon economy and have a better understanding of carbon footprint of primary and other products businesses can consider disclosing carbon content for commodity exchanges and other trading platforms. This market mechanism that would contribute to greater carbon transparency throughout the production chain without burdensome government regulation, excessive reporting or subsidies. Initially this information can be displayed by suppliers on a voluntary basis, however, those who will do it will get market advantages as low carbon footprint stamp will draw positive attention. This can lead to creation of a low-carbon asset class index at trade exchanges. For consumer it will provide an opportunity to make an educated choice whether to pick standard product or the one with low carbon footprint.

Benefits: Introduction of a new "Green economy" market mechanism.

Development of "green certificate" mechanism

Context: BRICS members adhere to SDG 7 ("Clean and Affordable Energy") making energy balance more environment-friendly and putting energy efficiency high on the agenda.

In this context, we recommend development of 'green certificate' mechanism across BRICS countries to encourage production and use of clean energy, including hydro, solar, wind, as well as gas and biomass energy. 'Green certificate' implies an official record of a specified amount of energy generated from clean source in the period designated in the certificate. It will serve to reduce emissions through promotion of clean energy and clean technologies.

As a first step, we recommend to commission a study on the best available practices of use of 'green certificates' mechanism in various sectors and countries and to assess the potential for application and impact across BRICS countries.

Benefits: Promotion of the principles of "Green economy".

Cooperation in peaceful use of nuclear energy

Context: Enhancing collaboration in nuclear power among BRICS countries through the means of cooperation in the area of development and construction of new generation of small nuclear reactors.

Other tracks of cooperation may include joint studies on further ways to improve international nuclear safety standards, and developing strategies for community sensitization on these subjects.

Cooperation in this area will contribute to maintaining leading positions of BRICS countries in the nuclear energy sector and provide an additional opportunity to enter associated markets. It will serve to provide reliable clean energy supply to remote locations to meet environmental goals and to support economic development and local communities.

Benefits: Maintaining BRICS leading positions in the nuclear sector.

To further contribute to development of cooperation on energy and “green” economy between BRICS and NDB and other international development institutes it is recommended to continue work on the previously agreed issues: Support the development of funding for clean energy projects matching New Development Bank requirements and Promoting energy integration among BRICS and bordering countries via the New Development Bank.

Anti-COVID-19 joint measures

Context: Conducting study throughout 2020 to understand the impact of COVID-19 on energy, economy and other related sectors with the aim to identify necessary instruments to ease the economic burden, taking into account both BRICS countries internal policy measures as well as international experience of other countries. Based on this data, specific policy recommendations regarding areas for BRICS intergovernmental cooperation and using energy as one of the key sectors to contribute to economic recovery will be presented in 2021. The blueprint for action provided by South Africa is presented in Annex 4.

Benefits: Preparing for the COVID-19 consequences.

FINANCIAL SERVICES

BRICS Alliance on AI Development

Context: AI is acquiring increasing significance for developing businesses within and among BRICS countries. The impact of AI on member countries is certain, imminent, and will reflect on BRICS in terms of social and economic issues, technology, business development and competitiveness.

In the year of Russia’s presidency in BRICS, the Russian side has taken the initiative of creating an AI development task force within the framework of the BRICS Business Council (BBC). In recognition of the global, immediate influence that AI will have on financial markets and global governance, the discussions about AI currently take place within the framework of FSWG. In the future, a dedicated WG could be considered to address all aspects of AI impact on business development.

In order to achieve the purpose underlying this proposal, the following initiatives need to be accomplished:

- To formulate the ToR for the AI Alliance that reflects the shared interest of its Members regarding activities and policies within the agreed Implementation Tracks, i.e.:
 - Finance and financial institutions
 - Hardware and edge computing at a scale appropriate across all levels where AI could be possibly used, down to microfinance and SMEs
 - Education in AI, and the use of AI in education
 - Hardware and software technologies for AI
 - The impact of AI technologies on agriculture, including agricultural finance at the grass-roots level.
- To conduct expert review within each FSWG BBC national chapter on all other possible areas of common interest, and on the preferred agenda for the cooperation and collaboration that occurs between FSWG and other relevant working groups in the BBC, as well as among BRICS countries in the area of AI development.

Benefits: Accelerating – on a mutually beneficial basis – the development and deployment of Artificial Intelligence technologies in BRICS countries for sustainable long-term prosperity, social and economic development, and national security. The fact remains that using AI in the financial sector is a matter of immediate concern, due to its wide and transformative long-term impact across society.

Electric and natural Gas (LNG and CNG) Transportation (EGT) in BRICS countries

Context: BRICS countries currently lack formalized approaches toward financing EGT projects.

- The countries provide small subsidies, and offer poor organizational support, for EGT patent-related work.
- There are customs barriers in place that affect most EGT components.
- No solid participation by BRICS countries exists in the global EGT market and developing regulations.
- There is no cooperation among BRICS countries to develop local- and global-level EGT regulations.

Benefits: Unify state support for the EGT industry would allow speeding up the industry's pace of development, thereby positively affecting the environment in large cities, both across BRICS countries and globally.

- Priority financing of start-ups and R & D in the field of EGT.
 - Unifying the approaches and standards adopted for financing EGT projects.
 - Reducing outlays for patents, tariffs, customs clearance and other barriers to trade.
 - Providing organizational support and legal protection for patents and fostering mutual development processes in BRICS countries.
 - Accelerated recoupment time for implementing EGT projects.
- Providing support for priority financing for EGT projects in BRICS countries pursuant to a list developed by the FSWG task force.

Cooperation between the BRICS Business Council and the New Development Bank

Context: Our proposal is to launch a mechanism to aid interaction between the BRICS Business Council and the New Development Bank in the form of a Financial Expert Panel, which will coordinate NDB-related initiatives on behalf of all BBC working groups.

Implementing the Memorandum of Understanding (MoU) on strategic cooperation that was signed in 2017 is in progress. One of the tools that has taken shape to promote a dialogue with the NDB is the Financial Expert Panel; the following people replenished its ranks in 2020:

Country	Name	Company	e-mail address
 Brazil	tba	tba	tba
 Russia	Nikolay Vukolov	RDIF	Nikolay.Vukolov@rdif.ru
	Larisa Shvetsova	VEB.RF	ShvetsovaLA@veb.ru
 India	Sameer Bhatia	CRISIL Infrastructure Advisory	Sameer.Bhatia@crisil.com
	S V Sastry	SBI	dmd.gm@sbi.co.in
 China	WANG Shun	ICBC	shun.wang@icbc.com.cn qin.gao@icbc.com.cn
	GUO Lin	ICBC	peng.liu@icbc.com.cn
 South Africa	Fatima Vawda	27four	fatima@27four.com
	Dr.Mtheza Mtyopo	IDC	MthezaM@idc.co.za

The main principles (mechanisms) for cooperation between the BBC and the NDB (Annex 3), as well as the first joint (global) initiatives, were presented by the Russian chapter for members of the FSWG to review.² FSWG members also discussed and agreed to start preparing proposals (recommendations) on behalf of the BBC for inclusion into the NDB's new Strategy. The main recommendations could potentially cover the following items:

1. Increasing the share of loans denominated in local currencies and the scope of non-sovereign operations, particularly within the private sector
2. Creating the financial instruments to support green bond markets in BRICS countries, with subsequent participation on the part of development financial institutions and local-level and global financial institutions present in BRICS countries
3. Launching new financial programs aimed at supporting small and medium enterprises, businesses that have implemented sustainable urban development projects and small cities and communities, etc.

Benefits: The main goal is to systematize and regulate cooperation between the BBC and NDB in areas involving the selection of new projects and identifying new initiatives.

An additional goal is to bar the possibility of initiatives becoming duplicated in the bounds of the BBC, and to cooperate more efficiently and transparently.

SME Initiatives

Context:

SME Performance Database

Reducing SME borrowing interest rates, and efficiently allocating the government support mechanisms in BRICS countries, depends on the ability to precisely determine the performance

² The Brazilian Party did not participate in the discussions and subsequent correspondence on this issue and is not ready to accept the result of the work done.






and risk profile for each individual SME borrower. The SME sector is one of the most important and difficult sectors for credit analysis. Accurately collecting data, and the size of the data samples that are put together, are both key considerations for providing SME support measures efficiently. Good data is currently not always available in all BRICS countries. Analyzing SMEs in BRICS countries must take into account the specifics of each jurisdiction.

SME Intellectual Property Pledge Financing (IPPF)

To evaluate the IP created by SMEs, BRICS countries should develop common valuation methodology. The valuation of IP of SMEs contains a significant expert-oriented, informal component. Adequate assessment of SME's IP is also exacerbated by the lack of necessary expertise, fair competition and conflict of interest controls.

To achieve mutual recognition for these kinds of estimates, BRICS countries should increase their joint efforts to assess the value of IP and facilitate the appeals process in case of biased IP valuation.

The following members were nominated to the task forces for SME Database and SME IPPF³:

Country	SME Database	SME IPPF
 Brazil	tba	tba
	Igor Zelezetskii igor.zelezetskii@acra-ratings.ru;	Alexey Kazartsev plcard@list.ru
 Russia	Andrey Bobovnikov andrey.bobovnikov@acra-ratings.ru	
	Dr. Ninel Seniuk nсениuk@hse.ru	
 India	Tarun Sharma tarun@eximbankindia.in	Tarun Sharma tarun@eximbankindia.in
 China	GAO Qin qin.gao@icbc.com.cn	GAO Qin qin.gao@icbc.com.cn
 South Africa	Zama Khanyile Khanyilez@nefcorp.co.za	Zama Khanyile Khanyilez@nefcorp.co.za
	Nhlanhla Nyembe tba@tba	Nhlanhla Nyembe tba@tba

³ Given the Brazilian side's offer to focus on training activities, take into account the possibility of Brazil participating in the IPPF initiative as an observer with possible joining the action going forward.

Benefits:

SME Performance Database

Creating a joint BRICS SME Performance Database and communication platform will help decrease the borrowing interest rates for SMEs, and improve international cooperation. Greater transparency and the use of advanced financing solutions (including supply chain factoring solutions) will increase access to markets. The database will benefit all lenders, regulators, rating agencies, and other risk specialists in BRICS countries that aim to achieve more efficient lending.

IPPF

Establishing a dedicated FSWG taskforce for SME Intellectual Property Pledge Financing (IPPF) will facilitate IP transfer among BRICS countries, and make it easier to prepare recommendations on how to establish support and mutual recognition for IP assessments in BRICS countries, create an SME project list for IPPF, and support IPPF-based financing for these projects.

BRICS National Investment and Support Platform for the BRICS Financial Community

Context: The greatest challenge for investors today is pinpointing the most interesting investment opportunities in BRICS countries. The mechanisms available to them to search for projects are sometimes limited. Therefore, it is proposed that an electronic BRICS investment and support platform be created, which will help investors quickly find investment regions and the investment opportunities, they are looking for. It is suggested that a webpage be set up for the websites of locally-based investment agencies or any other organization that supervise investments, be it Invest in Brazil, Invest in Russia, Invest in India, Invest in China or Invest in RSA, with a list of projects that are currently open to investments, as well as the direct contact information of the investment professionals responsible for these projects. This webpage could also have links to the same investment-related pages on other websites for agencies in other BRICS countries. For example, the Russian team has already set up this kind of webpage on the Invest in Russia portal: <http://investinrussia.com>. The national investment promotion and investment agency of India – Invest India – acts as the first point of reference for investors in India. Details on investment opportunities across sectors and across states in India can be accessed at <https://www.investindia.gov.in/>

Further discussions within each FSWG chapter, and among the five FSWGs, will proceed.

Benefits:

- Improved investment awareness among the financial community in BRICS countries
- Quick access to investment opportunities in BRICS countries through a single database
- Increased investment flows among BRICS countries
- Exchanging information in the most efficient and transparent way possible

INFRASTRUCTURE

Increase logistics connectivity among the BRICS countries and within their regions, as well as in the “BRICS plus format” to foster trade and accelerate economic development. Highlight the importance of development of railway, road, air and maritime transport and implementation of infrastructure projects

Context: Over the last several years the focus of the BRICS Business Council (BBC, Council) on the issues of infrastructure development increased significantly.

Extension of cooperation and implementation of joint projects in the field of transport projects, particularly railways and maritime is vitally important for fulfillment of the BRICS Economic Partnership Strategy for the period up to 2025 and creates opportunities for development of international trade and provision of freedom for the citizens to move around and travel and increase of the national security level of all the member countries.

Comparing to other modes of transport, railways are at an advantage in ecological and energetic efficiency, high security level and significant carrying capacity.

Large-scale integration initiatives were launched on the Eurasia domain, active work on formation of a “pipeline” of infrastructure projects on the territory of Africa is underway, the prospects of activating such processes in Latin America are under consideration.

Taking into account high capital intensity of infrastructure projects, the issues of efficient fundraising are usually a priority on the agenda in the BRICS countries.

In relation to this matter, interaction with the New Development Bank (NDB), for funding projects in BRICS countries as well as in other emerging markets appears to be an important aspect of the Council’s activities.

Benefits: Construction of railway and maritime infrastructure enables creation of ecologically friendly and energy-efficient modes of transport, characterized by a high level of safety and security as well as outstanding capacity.

Development of railway transport in particular creates opportunities for an enlargement of international trade and at the same time implementation of infrastructure projects serves as a catalyst for economic growth and provision of freedom for citizens to move around and travel as well as an increase of the national security level of all the member countries.

Highlight the importance of development of transport network infrastructure projects. Support development of railway and maritime transport in the BRICS countries as. ecologically friendly and energy-efficient modes for carrying a large number of passengers and a huge amount of cargo. Support joint projects of the BRICS countries in the field of infrastructure development

Context: It is vitally important to support joint initiations from the companies of BRICS countries, aimed at creation of safe and balanced transport communications and logistic systems, ensuring their efficient conjunction.

Also, it is reasonable to continue work on creating favorable conditions for the project activities in this area and development of the appropriate mechanisms of state assistance.

BRICS Business Council highlights in its recommendations to the Heads of States an important statement regarding necessity to support priority development of railways and maritime connectivity in the BRICS countries and Africa.

With the advanced technologies and experience, many member companies of the BRICS BC infrastructure working group are actively taking part in the work mentioned above. Guidance and coordination by the governments targeting on the specific projects will an extra impetus for increase the pace of the accomplishment. Financing support by the nominated financial parties at an early stage will also push forward the implementation of the projects and thus yield a fruitful cooperation.

Best-practices

In cooperation with CR (China), RZD is working to develop passenger and cargo transportation in international traffic, and to increase container transit, and to develop infrastructure of interstate border crossings, and to improve legal framework for transportation, and to increase level of digitalization of transportation processes, and to enable transportation of new types of goods, and finally to develop railway tourism.

In India, Russian Railways Holding Company completed in 2019 a feasibility study of the Nagpur – Secunderabad railway project. Other possible projects in India are under consideration.

During the BRICS Summit in 2018 RZD conducted a number of consultations with Transnet on possible joint projects in South Africa in terms of railway infrastructure development, equipment supplies, R & D, experience exchange and training. The parties set down the appropriate areas of cooperation in the Memorandum of understanding. The Road Map between RZD and Transnet specifies concrete steps of prospective work, which parties agreed to continue after the end of the COVID-19 crisis.

Reference is made to the readiness of the specialized Brazilian companies to develop mutually beneficial cooperation and exchange technologies within implementation of infrastructure projects.

An important objective of the BRICS Business Council is to support infrastructure projects on the Eurasian domain, as well as in Latin America and Africa, implemented with participation of the specialized companies from BRICS.

Benefits: Significant progress has been achieved in the field of promoting the joint projects in the BRICS countries. Key approved recommendations were reported to the Heads of States. As key benefits of this work is considered a higher connectivity of the regions, increase of population mobility, expansion of opportunities for transportation of goods and services, achievement of integration objectives and economic growth.

Improve mechanisms of promotion and support of transport infrastructure projects (by extending practice of PPP-projects, establishing Project Preparation Fund through NDB, applying syndicated loans, and support of Unsolicited bids/proposals)

Context: Taking into account high capital intensity of infrastructure projects, the issues of efficient fundraising are usually a priority on the agenda in the BRICS countries.

In relation to this matter, interaction with the New Development Bank (NDB), established by BRICS countries for the purpose of funding infrastructure projects in the association and third countries, appears to be an important aspect of the Council's activities.

In due turn, loans provided by Russian specialized institutions, including mechanisms of export support by Russian Export Center, should be considered as an important tool to promote joint infrastructure projects. Syndicated loans, which should also unite funding from the NDB, national banks, specialized centers and institutions for sustainable development, may become a vital source to support capital intensive projects.

Best practises

In 2019, the Board of Directors of the New Development Bank approved provision of a corporate loan to JSC Russian Railways in the amount of CHF 500 million for the period of 10 years for the purposes of renewal of traction rolling stock.

Benefits: An opportunity to provide a dedicated support to the infrastructure projects on the BRICS domain. Additional advantages are being formed by practice of syndicated loans from various funding sources.

MANUFACTURING

Best practices of the BRICS countries in developing “Smart cities” solutions

Context: The concept of smart cities means digitalization of urban management when high technology is used for more effective process coordination and, as a result, higher quality of services provided for citizens.

This is particularly true for such sectors as transport, security, energy, education, medicine and others.

The important dimension of a new smart city, in addition to technological, is humanistic. Thus, technological innovations make it possible to achieve more comfortable and inclusive environment and provide conditions for human capital development.

It is clear that smart city projects require serious intellectual and financial investments.

The BRICS countries account for more than 40% of the urban population of the world, so they have an urgent task to regulate the urbanization process also via smart city concept.

Technically, the smartization of cities means the implementation of artificial intelligence technology, cloud storage, big data analysis systems, etc. for more rational planning and allocation of resources within the municipal economy.

As a rule, the implementation of smart city projects begins with infrastructure projects: establishing a public transport system and urban environment.

The experience and proposals of the existing smart-cities can be used by other – thus, a horizontal platform for the exchange of ideas and know-how with free access for all potential participants and developers should be created across the BRICS countries.

One of the key areas of the general approach to the smart-city concept is the creation of conditions for building operational cooperation with inhabitants. For these purposes, a platform should be created for involving citizens in solving urban development issues and soon it should be brought to a universal standard and integrated with all urban services.

The financing of smart city projects should be considered the model of PPP, Public-Private-Partnership with significant participation of state structures. Moreover, such a strategy seems to be more effective in BRICS countries as it will provide for balanced sharing of risk and reward with the private sector enterprises, since in the case of smart cities there could be implementation delays on account of extraneous factor, which requires a great deal of patience from investors and should be supported by some state guarantees.

BRICS countries should ensure that national companies are capable to offer end-to-end solutions for the development of smart cities,

The role of the BRICS states in stimulating and supporting smart city projects seems to be very important.

Benefits: higher quality of services provided for citizens; more comfortable and inclusive environment; more rational planning and allocation of resources; universal standards and integration with all urban services; capability of competing with global companies in smart cities solutions.

Best practices of the BRICS countries in the development of electromobility

Context: The BRICS countries tend to implement similar programs in the development of electromobility and other XEVs. They normally include expansionary measures to increase the demand and supply of electric vehicles and other XEV through subsidies, investing in charging infrastructure, etc.

The BRICS countries should continue to promote green mobility technologies.

The BRICS countries should continue developing government policies to support electric vehicle manufacturers and other green mobility technologies.

As part of those policies, support shall be given for such XEV green mobility technologies to promote their manufacturing.

BRICS countries should not limit the development of electromobility exclusively to the production of electric cars/buses. One of the most ambitious world directions is connected with the development of electric planes, the construction of which is currently being carried out by about 200 companies around the world.

Special attention in the BRICS countries should be given to the electrification of logistics operations. It is important that there should be an engagement in the development of not only large freight transport, the samples of which are already produced, but also smaller transport models with an electric drive.

As part of the electrification of the logistics sector in the BRICS countries should be two- and three-wheeled vehicles with electric drive, which is especially important for the online sales sector.

A necessary element for the development of electromobility in the BRICS countries is the development of charging infrastructure.

Generally, according to the experience of the BRICS countries, state support in the form of subsidies to producers, consumers, and the formation of public-private partnership initiatives is a powerful factor in stimulating electromobility.

Benefits: Increase of the demand and supply of electric vehicles and other XEVs; attraction of international players to the BRICS countries' electromobility markets; creation of a complete line of production; reduction of the final cost of the electric car and thus increased availability for consumers; electrification of logistics operations.

BRICS countries best practices in waste management

Context: The processing of industrial waste in the BRICS countries has been attracting increasing attention from its leaders.

Firstly, the BRICS countries must develop a common methodology for waste management.

BRICS countries, while developing waste processing, should introduce both restrictive and encouraging measures. The restriction system should be combined with potential financial incentives: companies should receive subsidies, soft loans or periods of tax holidays for

over- fulfillment of planned environmental standards for the reduction, recovery, recycling or elimination in the generation of – mainly hazardous – waste.

The concept of *waste energy* and the creation of corresponding *Waste-to-Energy Plants (WTE)*, companies that generate electricity, thermal power energy or biogas from waste, are becoming increasingly relevant in the BRICS countries.

There are two alternatives for wastewater treatment: 1) the development of a centralized cleaning infrastructure in cities and industrial zones, and 2) the transfer of wastewater between companies for zero discharge in closed cycles, especially in places where water is scarce or of difficult access.

The use of wastewater is a relevant goal in programs designed for the industrial development of the BRICS. The concept of zero discharge or minimum discharge of sewages has potential to grow with the BRICS member countries, as these countries are focused on cultural and technological developments related to water reuse, especially as they need to provide water security to their industrial parks as well as conserve their water resources.

In view of the above, the BRICS countries must commit themselves to seeking solutions to decrease wastewater discharge to a minimum – or even zero such releases – including through the establishment of partnerships.

The BRICS countries should create and operate a national information system on solid waste that is unique / common and standardized, where information on the generation, storage, transportation and the environmentally suitable final disposal of solid waste is provided through an electronic platform that will allow tracking and issuing auditable certificates.

The platform should monitor solid wastes of different origins and types, including hazardous wastes, and those generated in production processes and in the disposal of post-consumer products and packaging through reverse logistics.

A database with reliable combined information can provide the creation of a market for the trade of waste (stock exchange), the possibility of large-scale sales, formation of infrastructure and specialized know-how, etc.

The role of the BRICS States to encourage and support the development of waste management is crucial.

Benefits: Inventorisation of organizations involved in industrial waste management; development of the legislation in the field of waste storage landfill management, wastewater treatment, etc.; development of the cooperation with private capital through private-public partnership (PPP); “zero wastewater emissions” – a completely closed cycle of water use, the concept of ZLD (Zero Liquid Discharge)/MLD (Minimal Liquid Discharge); creation of the corresponding Waste-to-Energy Plants (WTE), enterprises that generate electricity or biogas from waste.

SKILLS DEVELOPMENT

Create a sustainable space to exchange BRICS skills development experience, supporting and developing both physical training centres and digital knowledge hub, which would act as a repository of sharing of BRICS Skills Development best practices/ experiences/relevant projects/key national initiatives

Context: During the past decades, the importance of globalization and rapidly developing digital technologies became undeniable and the global community has turned to technological development pathway still saving personal communications and networking as a priority in management and decision-making processes. COVID-19 outbreak has led the whole world to realize how fragile international communication based only on personal attendance is, and exposed the necessity of creating a sustainable and effective online communication and working format.

Continuing skills development under challenging circumstances is crucial for BRICS economy's recovery, which has faced lockdown, remote training and educational resources shortage and unemployment issues. Data and best practices backed policy formation will be the key to address post covid-19 rebounding of Skill Development and Employment activities. BRICS with its collective efforts can play a pivotal role in developing blue print for the future of skilling.

Created knowledge hub is suggested to contain basic content related to skills development activities in BRICS countries, calendar of past and future events held within the Skills Development Working Group activities, research and development projects conducted within the group – in order to assemble existing experience and results and current development projects.

Benefits: Knowledge hub will ensure broader audience's involvement and co-creation of contextualized pathways for skills development process through sharing of best practices. It will also facilitate in growing deeper understanding best methods of digital learning and training not only under pandemic situation, but also within current natural process of society's digital transformation.

Support further development of the BRICS Future Skills Challenge to enhance multicultural cooperation

Context: Over the past three years, the BRICS Future Skills Challenge has significantly increased practical interaction and established further progressive development of multilateral cooperation. Successfully gathering talented young professionals from all BRICS countries for three years now has proved the importance of cooperation, encouraged competitors to not only challenge other participants, but to bring the whole country's skill to a new level, and involved more BRICS authorities to deepen their partnership within Skills Challenge. At the same time, continuing development of the BRICS Future Skills Challenge gradually improved Skills Passport evaluation mechanism.

Benefits: Establishment and deepening the cooperation between authorities, experts and competitors will be a step to develop new common solutions for rapidly changing world's global issues. Further development of assessment system by emphasizing skills passport in the skill level evaluation will help to promote the harmonization of skills standards among BRICS countries.

Promote the development of new and continuing cooperation projects within the BRICS skills development area (Atlas of emerging jobs, Scenario building for emerging sectors, BRICS Future Skills Training Base, work with talented youth; capacity building, technology innovation, etc.)

Context: During the past five years, multiple bilateral and trilateral initiatives and projects on skills development, including researches, conferences, summer schools, and other projects were successfully conducted. Considering the incredibly fast pace of global changes, continuous work in research and skills development projects is becoming vitally needed. Developing real and lasting solutions that recalibrate our current economic, educational and social thinking at a systemic level are crucial to adapt and create new skills needed for sustainable development.

Further cooperation in research area will enhance us to conduct common projects relevant to changing circumstances, e.g. creating BRICS Atlas of emerging jobs, engaging in the Future Skills Foresight, developing future skill curricula and joint cultivation programs.

Benefits: Introduced cooperation projects are aimed at bringing common understanding of existing in BRICS countries demand for certain skills, and at encouraging educational institutions (e.g. BRICS Future Skills Training Base) to actively participate in professional development.

Assure financial means for the promotion of technical cooperation projects amongst BRICS countries

Context: The BRICS economies face different challenges for achieving a sustainable economic growth path. Equally, cooperation among BRICS institutions through knowledge and skills transfer could help improve the quality of technical education, the cornerstone for industrial and technological development.

To better identify and manage the acquisition of required knowledge, skills, and attitudes, and prevent the emergence of skills gaps and mismatches, effective technical cooperation projects amongst BRICS countries is essential.

To enable technical cooperation joint projects it is vital that technical and vocational education institutions have access to funds, financial aid, and governmental investment to execute the technical cooperation.

Benefits: Improve the professional and technical level of the workforce offer, face Industry 4.0 dynamics as emerging countries with similar challenges of social and economic development, define technical and educational trends as a united group of emerging countries.

4.2 ISSUES UNDER DISCUSSION

AGRIBUSINESS

Product chain traceability certification and green products labeling

It is reasonable to create and integrate a new brand for 'green' ecological products (Green Labelling), the appropriate certification system at each stage – all the way to supermarket, and a label, which could verify the product quality.

Product chain traceability certification: fertilizer plant (raw materials and production) – farm (seeds, mineral fertilizers, crop protection agents, farming technologies, agricultural products) – retailer/supermarket. Cadmium free fertilizers from Russia is an example of such a Green Labelling of fertilizer products.

The establishment of product chain traceability certification and green products labeling may need various links to participate in, as each country's situation is different, we need to continue to discuss. It is suggested that BRICS countries can share good experiences and practices in advance, and when the time is appropriate, the traceability certification and green products standards could be unified in BRICS countries, integrating with those ones in other countries or regions in the world.

Sanya Biotechnology Research Institute of Hainan Province has strong inspection, testing and scientific research capabilities, and can participate as an implementing unit of the Chinese side.

FINANCIAL SERVICES

Green Financing

Context:

The BRICS ESG Association and a BRICS-wide carbon credits trading system that would account for peculiarities of all participating countries and suggest the best suitable ecological solutions for each member nation.






The growing role played globally by responsible financing (over 20 trln of USD investments are rated as highly ESG-compliant) makes BRICS countries vulnerable to both low ESG scores from international assessors, which are given using methodologies that do not fully address the realities that exist in BRICS countries, and underinvestment as a consequence of those artificially low scores.

- Better unification is needed for the approaches taken toward ESG by BRICS countries.
- Additional services to support the verification of mutual ESG and green finance ratings are necessary to simplify the development of green financing across the BRICS universe.
- The growing threat of environmental protectionism from developed countries requires that ESG certification for goods and services be furnished by BRICS countries in order to improve the competitiveness of these countries' exports to global markets.
- Independent research on environmental issues could provide an overview for BRICS countries concerning urgent environmental problems.
- A variety of local carbon credit trading systems undermines the notion of sharing carbon credits among BRICS countries across their borders for the sake of fostering environmental and economic development. Definition of each member country's needs and advantages, including the situation in Brazil, would serve for creation of fair parameters for future BRICS-wide carbon trade system.
- Better environmental information disclosed methodologies are needed for ESG certification.

Benefits: Improved transparency for ESG and green ratings would help increase capital inflows into BRICS economies, and provide cheaper financing for sustainable development projects. Improving the ESG scores for BRICS companies' goods and services would provide better export opportunities, and allow combating environmental protectionism from developed countries. Better research on environmental issues based on BRICS countries' best practices would spread the views held by BRICS scientists on global environmental problems, unburdened by the political issues in developed countries. Special attention paid to specific ESG needs of all member countries, including deforestation in Brazil, coal fired power plants in China, India, South Africa and Russia.

Insurance and Reinsurance

Context: The initiative for the BRICS reinsurance Pool was presented by India in April 2019 in South Africa, along with another initiative: BRICS Insurance Connect. The objective of establishing the BRICS Reinsurance Pool is to bring together the combined insurance and reinsurance capacities possessed by BRICS insurance markets in a manner that is commercially viable. Since the Memorandum of Understanding Regarding Insurance and Reinsurance Collaboration in Support of Mutual Investment and Business Cooperation in BRICS Countries, signed in Shanghai in September 2017, did not work out in practice, it was decided in November 2019 in Brazil to form a task force under the FSWG's jurisdiction that would explore the opportunities for the BRICS reinsurance Pool as an alternative concept. It was created under the Russia Presidency in 2020 and the following members were nominated by their national chapters to this task force:

Country	Name	Company	e-mail address
 Brazil	tba	tba	tba
 Russia	Andrey Tokarenko	SOGAZ	Tokarenko.Andrey@sogaz.ru
	Mikhail Sepp	RNRC	michael.sepp@rnrc.ru
 India	Deepak Godbole	Insurance Institute of India	deepakg@iii.org.in
	Rekha Goplakrishnan	New India Assurance	rekha.gopal@newindia.co.in
	Hitesh Joshi	GIC Re	hiteshj@gicofindia.com
 China	CHU Miaomiao	China RE	chumm@chinare.com.cn
 South Africa	Makhubalo Ndaba	PGC group	makhubalo.ndaba@icloud.com

Should any party be temporarily unable to nominate its representative to the task force the participating parties keep it informed about next steps undertaken.

Benefits: There will be numerous benefits for BRICS countries following the establishment of a BRICS Reinsurance Pool; these include, but not limited to, the following:

- BRICS insurers and reinsurers will share both their expertise and the risks and rewards, thereby contribute to growth and increased trade across BRICS
- Additional reinsurance capacity is provided to BRICS markets
- Reduced dependence on traditional reinsurance markets (North America, Europe and the UK)
- Capital utilization contributes to the growth of the insurance and reinsurance sectors in BRICS

BRICS Credit Rating Agency Alliance

Context: The FSWG ratified the importance of aligning credit risk assessments for BRICS issuers, investors, and regulatory authorities to improve mutual understanding between member states, increase the ability to withstand outside interference, and facilitate cross-border funding within BRICS-wide projects and issuers, including cross-border infrastructure projects. The original intention of the chapters was to reduce the susceptibility of BRICS countries to the narrow oligopoly in the rating industry based on the three major global rating agencies and to create a concrete analytical alternative that better recognizes specifics of BRICS economies. From all the proposals put forward and discussed by the participating chapters, the creation of an ALLIANCE was the one that enjoyed the greatest interest and support from the majority of BRICS countries and the NDB.

To achieve the objective proposed, the following initiatives need to be accomplished:

- Create an ALLIANCE driven by bottom-up analytical initiatives that stem from voluntary co-operation by the participating CRA to ensure lower susceptibility to political friction among ALLIANCE member CRAs.
- Develop a governance model that preserves “analytical sovereignty” based on a local regulator authority’s decision to accept or reject the ALLIANCE ratings.
- Facilitate the development of “local champions” among BRICS CRAs and prevent the cannibalization of the BRICS CRAs’ workflow by any single supranational competitor.
- Support a two-rating policy according to which a regulator in every participating country would be able to request a rating for the same issuer/instrument assigned by a domiciled Alliance CRA, as well as the rating assigned by a non-domiciled Alliance CRA.
- Support CRA workflow sustainability through parallel pipelines (ALLIANCE and non-ALLIANCE) across various participating CRAs to reduce the susceptibility to single-state revenue volatility. Strive to minimize any types of initial investments, establishment costs, or regulatory fees for the member CRA.
- Improve the ability of member states to withstand exogenous political and economic pressure.
- Establish a Board Committee, Technical Committee on Methodology, Compliance workgroup, CRA Publicity workgroup, and Commercial workgroup in the framework of the ALLIANCE.

The following members were nominated to these committees and workgroups:

Brazil

Board Committee	tba	tba
Methodology Committee	tba	tba
Compliance w/group	tba	tba
CRA Publicity w/group	tba	tba
Commercial w/group	tba	tba

Russia

Board Committee	Igor Zelezetskii Sergey Nazarov	CRA-BRICS@acra-ratings.ru nazarov@raexpert.ru
Methodology Committee	Vladimir Snorkin Denis Stukan	Method-BRICS@acra-ratings.ru stukan@raexpert.ru
Compliance w/group	Alexey Mukhin	Com-BRICS@acra-ratings.ru Nin@raexpert.ru
CRA Publicity w/group	Maria Mukhina Sergey Nazarov	PR-BRICS@acra-ratings.ru nazarov@raexpert.ru
Commercial w/group	Natalya Suslennikova Sergey Nazarov	Business-BRICS@acra-ratings.ru nazarov@raexpert.ru

 **India**

Board Committee	tba	tba
Methodology Committee	tba	tba
Compliance w/group	tba	tba
CRA Publicity w/group	tba	tba
Commercial w/group	tba	tba

 **China**

Board Committee	YU Chunjiang	yuchunjiang@coamc.com.cn
Methodology Committee	LE Yu YU Chunjiang WUTingting (Support)	yu.le@icbc.com.cn yuchunjiang@coamc.com.cn wutingting@coamc.com.cn
Compliance w/group	FENG Qian XIE Yan An Hongbin (Support)	qianfeng.fxgl@icbc.com.cn xieyan@coamc.com.cn anhongbin@coamc.com.cn
CRA Publicity w/group	LI Ruixue CONG Xiaoli	liruixue@coamc.com.cn congxiaoli@coamc.com.cn
Commercial w/group	CHANG Zheng (Stella Chang) CHANG Yu	changzheng-dfjc@coamc.com.cn changyu@coamc.com.cn

 **South Africa**

Board Committee	tba	tba
Methodology Committee	tba	tba
Compliance w/group	tba	tba
CRA Publicity w/group	tba	tba
Commercial w/group	tba	tba

Benefits: Facilitating cross-border funding within BRICS-wide projects and issuers including cross-border infrastructure projects, via improving mutual understanding of the financial risks that link member states, and increasing the ability to resist outside interference.

Other topics, such as close cooperation with national central banks to ensure that BRICS nations occupy competitive positions on global markets, should also be explored in connection with best practices.

BRICS PAY Payment Service⁴

Context: All BRICS countries have separate national payment systems, but their cross-border transactions are mainly served by so-called international payment systems. As a result,

they are unable to make fully independent transfers and settlement payments that meet their political and economic needs.

Based on the important contributions from India and South Africa, the Russian BRICS Presidency proposes for consideration of the BRICS Business Council a commercial BRICS Pay payment service for BRICS Plus countries – i.e. a mobile app or e-wallet that can be installed on any smartphone. This initiative is currently under discussion, since its business model and technical details involved must be approved by all participants. BRICS Pay will allow paying for purchases, and transferring funds, in any BRICS country. Although BRICS Pay is a commercial project, it is important to ensure participation on the part of the BRICS countries' monetary authorities in any discussions on payment infrastructure initiatives put forth by the BRICS Business Council. Also, BRICS PAY should commence operation until all relevant legal, regulatory and oversight requirements are adequately addressed through appropriate design and by adhering to applicable standards.

The Russian BRICS Presidency is going to launch a BRICS Pay demo version in a sandbox. At the current stage of the project, the main issue is choosing a technological platform. NPCI has proposed Unified Payments Interface (UPI) as a baseline technological platform for BRICS Pay, since UPI has already demonstrated exponentially growing success in both foreign and domestic markets.. On the Russian side, Joys offers its technical solutions for working with digital assets, and ForaBank is ready to support settlement payments made in the area that it covers, and is waiting to establish relationships with settlement payment organizations in other BRICS countries. Project participants welcome the desire expressed by the Chinese side to share its experiences with developing and implementing payment applications.

Benefits:

The BRICS Pay project, representing a new payment mechanism based on up-to-date technology, will significantly contribute to the economic security of participating countries while reducing their dependence on external payment systems. Following its implementation, cross-border card & mobile payments will become both simple and interoperable across BRICS Plus countries. In addition, the proposed initiative will help reduce costs substantially, since the BRICS Pay service could be used as a core technology to create payment products in countries that have not yet developed these kinds of payment transaction systems.

⁴ This initiative, supported by BRICS BC chapters from Russia, India, China and South Africa, is not yet a priority for Brazil.

INFRASTRUCTURE

Proper prioritization of projects to enable achievement of sustainable development goals, including projects in the field of railway transport

Context: The list of these projects may be applicable for the New Development Bank when taking decision on providing loan for the purposes of infrastructure development in the BRICS countries.

Benefits: to speed up the procedure of reviewing projects due to their clearer prioritization.

Implementation of a guarantee fund for Infrastructure at NDB

Context: There is a view that public budgets will not be available for the needs of infrastructure investments. However, the BRICS countries need sources of financing and guarantees for concession programs. In this regard an important action may become an establishment of a guarantee fund for infrastructure projects at the basis of the NDB.

Benefits: The purpose of the guarantee fund is to provide, directly or indirectly, coverage for any risks, including non-manageable ones, related to concessions or priority projects of the government.

Development of a new NDB credit line aimed at support of the public projects prioritized by the governments of the BRICS countries

Context: In view of possible income reductions due to the COVID-19 consequences, it is reasonable to develop supporting mechanisms at the platform of the NDB for enabling balanced funding of the infrastructure projects.

Benefits: Resources to support the public investment in projects marked by economic and social effects would be vitally important.

Development of the Blue Economy

Context. All BRICS countries have rich natural resources for development of the blue economy. It is vitally important to continue joint discussion and adoption of the Blue Economy Declaration by the BRICS countries.

Benefits. Use of the oceans and seas resources will serve as a new impulse for the economic development of the BRICS countries, improve the people's living standards and create new workplaces while maintaining the health of the ecosystem of the oceans and seas.

Establish BRICS Annual Passenger Transportation Awards

The Awards will enable to estimate the attractiveness of specific railway routes for passengers. To the list of criteria for evaluation will belong level and quality of service on specific routes and trains. In prospective the Awards will become an important indicator for tourists, when planning a railway trip in the BRICS countries.

ANNEXES

Annex 1

BRICS BUSINESS COUNCIL JOINT STATEMENT ON COVID-19 PANDEMIC 22 July 2020

We, the Leaders of BRICS Business Council National Chapters proceeding from the common interests of the BRICS countries in strengthening stability, security and sustainable economic development in the region, ensuring health and well-being of its multibillion population and from the need to further expand the trade-economic and investment ties, cross-border and inter-regional cooperation,

EXPRESSING our serious concerns about the spread of Coronavirus Disease 2019 (COVID-19), which the World Health Organization (WHO) declared as a pandemic on 11 March 2020, and its negative effects on the well-being of the people and global socio-economic developments.

RECOGNIZING the important role of the WHO and National Governments and committed to working closely with relevant organisations and the international community towards fighting the pandemic and and its impact.

ACKNOWLEDGING the role of New Development Bank in providing support via Emergency Assistance Program Loan to BRICS countries to finance direct expenses related to the fight against the COVID-19 outbreak and provide support to governmental measures contributing to economic recovery.

EMPHASIZING the value of regular and timely exchange of experience and sharing of best practices among the BRICS participants and with BRICS's external partners in effectively responding to COVID-19 and help business to recover from the dramatic and ongoing economic slowdown.

EXPRESSING deepest condolences and sympathies for the loss of life and suffering caused by the pandemic.

EMPHASIZING our gratitude and support to all medical professionals, healthcare workers and other frontline personnel who have been working with all their hearts and minds to fight the pandemic.

REAFFIRMING our shared commitment to enhance cooperation and mutual support among the BRICS countries to control and contain the spread of the pandemic, addressing the adverse impact of the pandemic on our societies and economies.

SUPPORTING governments' efforts to mitigate the pandemic's effects on jobs and growth, and lay the foundations for a strong and inclusive recovery.

RECOGNIZING the role of extensive immunization against COVID-19 as a global public good for health in preventing, containing and stopping transmission in order to bring the pandemic to an end, once safe, quality, efficacious, effective, accessible and affordable vaccines are available.

In this context, we collectively call on the BRICS Leaders to continue strengthening cooperation in this challenging time and pay attention to the following actions:

- Minimise disruptions to trade and global supply chains through intergovernmental cooperation
- Provide barrier-free logistics environment for essential commodities between the BRICS countries
- Implement tailored short- and medium-term fiscal policy measures to support economic activity and international cooperation within the BRICS business community
- Prioritize direct support to small and medium business
- Share of experience and best practices in epidemiological research and development, clinical treatment, joint research and development of vaccines and anti-viral medicines
- Intensify cooperation for adequate provision of medicines, essential medical supplies and equipments
- Support responsible business conduct approach and promote measures to increase sustainable financing
- Provide a balance between a fast recovery, the continuity of enterprises and sectors, and environmental and social issues
- Collaborate to promote both private sector and government-funded research and development, including open innovation, across all relevant domains, on measures necessary to contain and end the COVID-19 pandemic, in particular on vaccines, diagnostics, and therapeutics

We strongly believe that now is the time to stay together for concrete measures to respond to the economic dimensions of the pandemics.

BRICS business organisations can be a strong partner for the National Governments and play a key role in helping to identify solutions that maximize healthy outcomes while minimising economic damage.



Mr. Jackson Schneider
(Brazil)



Mr. Sergey Katyrin
(Russian Federation)



Mr. Onkar Kanwar
(Republic of India)



Capt. Xu Lirong
(People's Republic of China)



Ms. Busi Mabuza
(South Africa)

Annex 2

BRICS BARRIER FREE DECLARATION 2020 **Delivered to BRICS Leaders on behalf of BRICS Business Council** **(contribution by BRICS Business Council Deregulation Working Group)**

Preamble

In 2020, we all find ourselves not where we expected to be just a year ago. The pandemic of the novel coronavirus infection inflicted unfolding of the unprecedented global economic and social crisis. Global value chains were disrupted, industries and entire economies had to be almost stalled, financial markets went through periods of free fall.

With the current crisis, the logic of globalization per se, a globalized world as we know it, and a humankind future as community of shared destiny are jeopardized.

Against this background, it is now more important than ever that BRICS countries firmly and eloquently demonstrate to the world their partnership, unity, and solidarity.

Prerequisites of igniting the new cycle of the global economic growth

BRICS Business Council members are convinced that the common goal of shared global growth can be attained, and confidence among different elements of the global economy can be restored.

We believe that to lay solid foundation for reinvigorating global economic growth and replenishing global confidence, all governments should prioritize:

- Intensification of international investment flows, and boosting internal financing for investment;
- Ensuring trust and transparency in the global economy, and international system in general;
- Fine-tuning regulation, making it more effective, reasonable, and non-excessive.
- Taking full account of the efforts being continuously exerted by BRICS:
- To facilitate international trade and cross-border investment,
- To diversify and broaden the scope of intra-BRICS economic cooperation,
- To expand the pool of concrete joint business projects,
- To develop people's exchanges in various spheres, and hence even stronger mutual trust,

BRICS Business Council still believes that there is a need to redouble efforts of BRICS governments to further strengthen our countries' cooperation, coordination, and connectivity.

A decade after its establishment, BRICS as a forum is now capable to lead the rest of the world by example, demonstrating the political will, intellectual wisdom, and practical readiness to find efficient joint solutions to the common challenges.

Moreover, for many countries BRICS is looked upon as a model of fair and practical cooperation, and a source of hope and support amidst these turbulent times.

Call to action

With all this in mind and being guided by our strong will to contribute to fully exploring the existing and potential opportunities for economic cooperation among BRICS, as well as ensuring BRICS sustainable and inclusive economic growth, and welfare for entire BRICS countries populations,

BRICS Business Council calls on BRICS Leaders and Governments to commit to paving the path towards building a comprehensive BRICS Barrier-Free Cooperation Framework.

BRICS Business Council Initiative for the Roadmap on Cooperation in Administrative Barriers Elimination submitted to BRICS Leaders in Johannesburg in 2018, might serve as a good starting point for BRICS Barrier-Free Cooperation Framework.

BRICS Barrier-Free Cooperation Framework shall support implementation of Strategy for BRICS Economic Partnership 2025 through:

- Facilitation and acceleration of BRICS mutual trade and investment;
- BRICS countries' greater institutional and regulatory coherence and cooperation;
- BRICS countries engagement to strengthen transparency, notification and monitoring of trade restrictive measures within WTO committees work;
- BRICS countries' concerted efforts to curb protectionism in international trade, opposing unilateral non-retaliatory or politically motivated measures;
- More streamlined and seamless BRICS joint projects in various fields of cooperation;
- Rapid further growth of people-to-people exchanges.

It is only through a barrier-free environment that BRICS can fully unlock the growth potential of mutual trade and investment, trust and transparency, and effective regulation.

For current and future generations.

BRICS Business Council

Annex 3

**MAIN PRINCIPLES FOR COOPERATION
BETWEEN THE BRICS BUSINESS COUNCIL
AND THE NEW DEVELOPMENT BANK**

a) Cooperation concerning “global initiatives” and “multilateral projects”

“Global initiative” is taken to mean an initiative (suggestion) that will have an impact on an unlimited number of participants in BRICS business communities, and which proposes the following improvements:

- new financial instruments, which should be as efficient as NDB's current products
- simplifying the NDB's project selection process
- involvement in, and having an impact on, the development of NDB's Strategy.

“Multilateral project” is taken to mean a project that will promote BRICS multilateral trade and economic cooperation. It will have an impact on a limited number of participants in BRICS business communities (participants have yet to be determined).

The Financial Expert Panel's activity as part of BBC Financial Services working group will be structured the following way:

- members on the Financial Expert Panel will select proposals from their national chapter members, and convey those proposals to experts in the presiding country on an annual basis
- experts from the presiding country will form a list of proposals, and present it to all members on the Financial Expert Panel for their review and approval
- the presiding country will have the privilege of proposing and approving global initiative projects that are subsequently transferred to the NDB
- these multilateral projects will have to be approved by the members on the Financial Expert Panel from all the national chapters, and are then conveyed to the NDB
- experts from the presiding country will send approved proposals to the contact person at the NDB for further discussion – additional (detailed) information can be provided at this stage
- proposals approved by experts from the panel will be included in both the Mid-term BBC Report and the Annual BBC Report
- the NDB will inform experts from the presiding country concerning its opinion on the proposals: if the proposals are given approval by the NDB, then members on the Financial Expert Panel can advise or assist the NDB in implementing the proposals.

b) Cooperation between BBC and NDB members on a bilateral basis (bilateral projects) will continue as before

Annex 4

BLUEPRINT FOR ANTI-COVID JOINT ACTIONS

It is suggested that the Working Group Energy and Green Economy focuses on work to formulate policy and other recommendations for BRICS governments in order to increase the resilience and recovery of the energy markets in BRICS countries as well as make a significant contribution to overall economic recovery whilst boosting investment in clean energy. This work could be done across a number of different areas including the following:

- (i.) Policy recommendations for governments on resilience and recovery from COVID 19 to:
 - a. Assess policy measures taken internationally by other countries
 - b. Develop BRICS specific policy recommendations on how the energy sector can be at the centre of economic stimulation and recovery, by:
 - i. The identification of opportunities focused on increased investment in the green economy/clean energy to support future energy security and shape future energy infrastructure.
 - ii. Case studies on how to lock in energy savings in the sector going forward including through low carbon, energy efficiency, storage and SMART technology applications
 - c. Identify areas for BRICS inter-governmental co-operation
 - d. Understand the impact of the increased need for electricity supply to be secure and stable
- (ii.) The development of guidelines/case studies for BRICS businesses on how to increase resilience in the post-COVID 19 world, including with regards to job security and future skills requirements.
- (iii.) The development of 3-4 scenarios that can be used by businesses/governments to assess options and risks and increase their resilience across a range of plausible futures.
- (iv.) Unpack the cross energy sector implications, risks and opportunities eg implications from the oil sector impacts on other energy and related sectors such as transport, etc.

This work can make a positive contribution to the body of work in the energy sector and green economy.

Annex 5

THE BBC STATEMENT OF RECOMMENDATIONS TO THE NEW DEVELOPMENT BANK'S NEW STRATEGY

BBC Members highly appreciate the achievements of NDB as a multilateral development bank established by BRICS countries to mobilize resources for infrastructure and sustainable development projects during its first 5 years of activities. So far, the NDB has approved lending assets to projects in all member countries for a total amount of US\$ 17.3 bn.

Like every other country and institution in the world, the NDB has had its share of challenges at these turbulent times. It has provided timely measures to support member countries in their fight against COVID-19 pandemic as many other institutions of its caliber.

Now it is time for the Bank to move forward in accordance with business community demands and the context for global development and the UN Sustainable Development Goals 2030.

Having said that, we would like to suggest our vision concerning NDB's New Strategy along the following lines:

1. Loans should be denominated in local currency. The current version of the Strategy declares that local currency financing is a key component of NDB's value proposition, as it mitigates risks faced by borrowers and supports the deepening of capital markets of member countries. Infrastructure and sustainable development projects are typically long-term, and borrowers have difficulty to hedge foreign exchange risks throughout their duration. Furthermore, most of these projects are in the non-tradable sector and do not normally generate foreign currency revenues. If we look into the Bank's credit portfolio most of the credit lines are nominated in USD. Some credit lines are nominated in RMB, Euro, ZAR. There are no loans nominated in RUR or INR. We suppose there is a space for development in this direction. It seems a good idea to envisage the KPI in the New Strategy linked to the share of loans nominated in local currency.

Perhaps it will require the Bank to become more active in local capital markets and to use hedging instruments. We believe that in years ahead the NDB will become a key player in hedging markets of BRICS countries especially if the Bank use a partnership with National Development Banks and local as well global financial institutions in BRICS countries to the full extent.

2. Most of the Bank's projects are sovereign operations or under sovereign guarantee. It is time to increase the share of non-sovereign operations, particularly with the private sector. In this regard, it will be reasonable for the NDB to enhance partnerships with national development banks, local and global financial institutions in BRICS countries as well as public entities using co-financing mechanisms. For example, the Project Financing Factory is a new effective co-financing mechanism initiated by the Government of the Russian Federation and VEB.RF. The Factory is a project financing mechanism for investment in Russia's high-priority economic sectors (including but not limited to sustainable infrastructure development)

intended to provide borrowers with funding under syndicated loan agreements using government support measures. NDB is still not a participant of the Factory.

3. The current version of the Strategy stipulates that in accordance with a strong focus on sustainability, the NDB intends to tap the growing market for green bonds to support its operations. The Green bond market is significant source of long-term liquidity but it is not developed evenly in BRICS countries. The NDB should become a key player in green bond markets in the BRICS countries stimulating investment in green projects.

There is a need to create a financial instrument to support the markets for green projects in BRICS countries. The NDB could create a Fund that would provide debt financing through the purchase of green bonds issued by companies from BRICS countries. As a result on the first stage, the NDB will be an anchor investor of the Fund. At the second stage it could involve national development banks, local and global financial institutions as well as co-investors. By setting requirements for the purchase of green bonds, the NDB will indirectly influence the bond market by encouraging the use of high standards of Green Finance and best business practices in this area. Besides, the Bank can provide support for hedging currency risk because most bond issues are traditionally nominated in local currencies.

4. Sustainable urban development is one of NDB's key areas of operation. Sustainable urbanization initiatives are increasingly important as a rapidly growing share of the population in BRICS and developing countries live in urban areas. More efficient and sustainable urban environments have multiple positive spin-off effects on a living quality, energy use, economic productivity, and inclusive access to opportunities.

It is a common fact that small and medium enterprises (SME) can play a significant role in urban development projects. However, the size of projects in this category may be moderate. It's not reasonable for the NDB to select, evaluate, and finance such small projects. But it could do it through financial intermediaries in the BRICS countries. The NDB could consider an opportunity to develop and launch an appropriate program to support SMEs. The financial intermediaries will be both national development institutions and commercial banks in BRICS countries that will meet NDB's criteria. Using such a program, the NDB will increase support for SMEs without risks to itself, since the risk will be on the financial intermediary. This will also contribute to the popularization of the Bank among the business community in BRICS countries.

The second initiative is related to supporting small cities and communities.

There is a need for grant (irrevocable) funds that could be allocated for "bottom-up" initiatives from residents aimed at environmental protection, social development or preservation of cultural heritage. This could be, for example, projects to clean up water resources in small settlements from garbage, cosmetic repairs of social facilities, landscaping or preparation of research on biodiversity conservation/ improvement of the environmental situation, etc. It is often required to finance equipment and/or special clothes for volunteers, expendable materials, for example. Local municipalities usually do not have enough budget funds to finance this. The NDB could consider the possibility of developing a small grant program for this kind of projects in a form of competition with a winning award,

for example. This program could help to promote a responsible and careful attitude to the environment and heritage in the local communities. The local representative offices of the NDB together with national development institutions and regional authorities will help to select participants of such a program.

5. One of the NDB's tools is a Project Preparation Fund intended to provide support to borrowers in BRICS countries. As we know there is no significant progress in its activity yet. We hope that the situation will develop more rapidly because this Fund is very important for the business community. It could promote making bankable a lot of important initiatives and projects.

