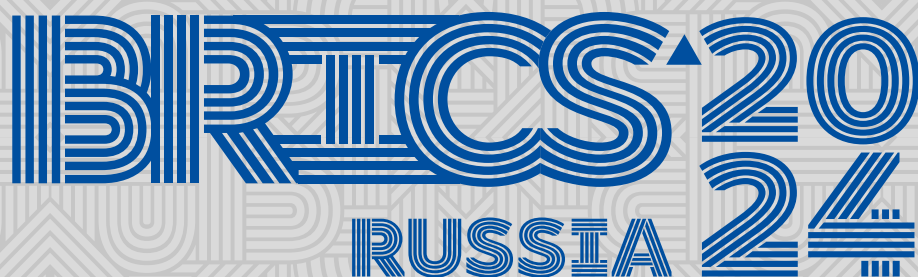




BRICS
Business Council



ANNUAL REPORT 2023/24





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EXECUTIVE SUMMARY

The BRICS Business Council is pleased to present the 2024 Annual Report, marked by a number of significant events. The new decade of the BRICS Business Council is associated with the introduction of new countries in the association, which makes it possible to further expand the geography of partnership based on the principles of mutual respect, equality and consensus. The annual report highlights the main achievements in the sectors that are the most important and significant for the development of the countries of the association in the new decade of the Business Council.

Today, the BRICS is one of the most influential associations of developing economies, which not only strengthens the positions of its members on the world stage, but also contributes to the formation of a new global economic order. The importance of BRICS lies not only in its economic power, but also in its ability to act as the voice of developing countries, expressing their interests and aspirations in global governance structures. The joint efforts of the BRICS countries to strengthen cooperation in key sectors such as finance, energy, infrastructure and technology reflect the desire to create an alternative platform for sustainable and equitable growth.

The introduction of new countries in the BRICS has become an important step towards the global expansion of the association's influence. The new participants represent key regions with unique potential and opportunities, which enhances the overall economic importance of the BRICS. The expansion of the BRICS territory opens up opportunities for greater mutual exchange and integration in areas such as infrastructure, transport corridors and energy projects that can connect different regions of the world.

The development of the BRICS economies has become a beacon for developing countries, which have the opportunity to observe the rapid progress of member countries offering an


alternative development option in the global economic order. Each new BRICS state brings with it cultural diversity, which contributes to a deeper understanding of the characteristics and needs of each region. This will allow us to develop more flexible and effective mechanisms of interaction, meeting the requirements of the new decade.

Cooperation between member countries is aimed at developing new financial institutions that reduce dependence on traditional international financial structures and provide more affordable conditions for lending and investment.

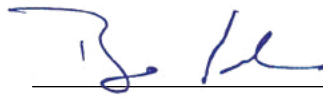
The growth prospects of the BRICS countries in the coming decades are associated with the strengthening of the role of regional currencies in international trade, the expansion of trade on mutually beneficial terms and the intensification of technological cooperation. Joint projects in a wide variety of industries will help create new markets and open up new opportunities for the younger generation of entrepreneurs and professionals.

The future success of the BRICS will be based on the principles of sustainable development, support for innovation and respect for the balance of interests of all participants. This is not just an economic partnership, but also a strategic alliance that contributes to the creation of a more just, multilateral and inclusive world order. In the coming years, the BRICS will continue to strengthen its role as a key actor on the world stage, shaping the economic and political trends of the new century.

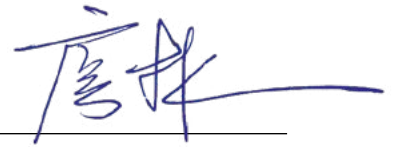
We are pleased to invite readers to explore the pages of the Annual Report to gain a deeper understanding of the achievements and promising initiatives of the BRICS. Together, we will continue to develop economic cooperation, promote sustainable development and create a better future.



Mr. Sergey Katyrin
(Russian Federation)

Mr. Bruno Ferla
(Federative Republic of Brazil)


Mr. Liao Lin
(People's Republic of China)



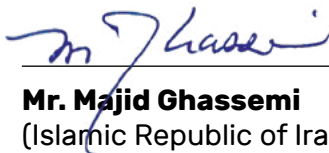

Mr. Ahmed Al-Wakil
(Arab Republic of Egypt)



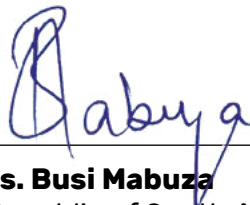

Mr. Edao Abdi Wosho
(Federal Democratic Republic of Ethiopia)

Mr. Onkar S Kanwar
(Republic of India)

Mr. Majid Ghassemi
(Islamic Republic of Iran)

Ms. Busi Mabuza
(Republic of South Africa)




H.E. Sultan Ahmed bin Sulayem
(United Arab Emirates)



(Kingdom of Saudi Arabia)



I

About BRICS Business Council



ABOUT BRICS BUSINESS COUNCIL

The BRICS Business Council (BBC) was established in 2013 at the 5th BRICS Summit in Durban, South Africa, bringing together the business communities of Brazil, Russia, India, China, and South Africa. Since its creation, it has become an important structure within the BRICS framework, focusing on interactions between businesses of the member countries to create real opportunities for mutual trade and investment. Moreover, the BBC facilitates regular dialogue between businesses and governments, identifies obstacles to trade and investment, and addresses critical issues, proposals, and initiatives that positively impact the development of these areas.

Each national chapter is led by five council members, overseeing nine working groups. These groups focus on key areas such as agribusiness, digital economy, energy and the green economy, financial services, infrastructure, manufacturing, aviation, trade, investment and skills development. Through these groups, the

Council implements its initiatives. Each group is dedicated to solving specific challenges within its sector, with the goal of promoting mutually beneficial cooperation among BRICS countries, improving conditions for trade and investment, and removing existing barriers. Since 2024, the BRICS Business Council was joined by new countries. As of today, it includes representatives from the national chapters of Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, the United Arab Emirates, and Iran.

BRICS Business Council and working groups meet in person twice a year at the Midterm Meeting and the Annual Meeting, which takes place before the BRICS Business Forum and the BRICS Summit. The Chairpersons of the Business Council have the honor of presenting the BRICS Business Council Annual Report to the BRICS leaders. This document contains key recommendations from the nine working groups, reflecting the outcomes that the BBC proposes for governments and businesses to implement in both the medium and long term.



II

**BRICS Business
Council Members**

**RUSSIA****MR. SERGEY KATYRIN**

Chairperson of Russia Chapter,
President of the Chamber of Commerce and Industry of the Russian Federation

MR. OLEG BELOZEROV

CEO - Chairman of the Executive Board, JSC Russian Railways

MR. KIRILL DMITRIEV

CEO of Russian Direct Investment Fund (RDIF)

MR. SERGEY CHEMEZOV

Director General of Rostec State Corporation

MR. IGOR SHUVALOV

Chairman of the State Development Corporation VEB.RF

**BRAZIL****MR. JOSÉ SERRADOR NETO**

Chairperson of Brazil Chapter, Global Vice-President and CEO of Institutional Relations of EMBRAER

MR. ALBERTO KUBA

CEO of WEG

MR. BRUNO FERLA

Global Vice President Legal, Institutional Relations and Compliance of BRF

MR. GUSTAVO PIMENTA

CEO of Vale

MR. JULIANO MARCATTO

General Manager of the International Business Unit of Banco de Brasil

**CHINA****MR. LIAO LIN**

Chairperson of China Chapter, Chairman of Industrial and Commercial Bank of China Ltd.

MR. WAN MIN

Chairman of China COSCO SHIPPING Corporation Ltd.

MR. LYU JUN

Chairman of COFCO Corporation

MR. YU XUBO

Chairman of China General Technology (GENERTEC)

MR. DAI HOULIANG

Chairman of China National Petroleum Corporation



EGYPT

MR. AHMED AL-WAKIL

Chairperson of Egypt Chapter, President of the General Federation of Egyptian Chambers of Commerce

MR. MOHAMED MAHMOUD AHMED EL-ETREBY

Chairman of the Federation of Banks of Egypt, Banque Misr

MR. SHERIF MOSTAFA MOSTAFA EL-GABALY

Chairman of Abo Zaabal Fertilizers & Chemical Co.; Polyserve Group

MR. AHMED AHMED SADEK EL SEWEDY

President & Chief Executive Officer of Elsewedy Electric Co.

MR. ELHAMY MOSTAFA FAHMY ELZAYAT

Chairman of Emeco Tourism Company

MR. HANY AZER

Member of the Scientific Advisory Council under the President of Egypt

MR. AHMED SHALABY

Chairman, Executive Director of Tatweer Misr



ETHIOPIA

MR. EDAO ABDI WOSHO

Chairperson of Ethiopia Chapter, Board President of the Ethiopian Pulses, Oilseeds and Spices processors Exporters Association

MR. GIZAT WORKU KEBEDE

General Manager of Ethiopian Coffee Association

MR. ABEBE TEKLU GEBRESELASSIE

General Manager of Ethiopian Leather Industry Cooperation

MR. DAWIT WOUBISHET TEKLEMARIAM

Board President of Ethiopian Freight Forward and Shipping Association

MR. TAYE LETA ELEMA

Board Member of Ethiopian Chamber of Commerce and Sectorial Association



INDIA

MR. ONKAR S KANWAR

Chairperson of India Chapter, Chairman & Managing Director of Apollo Tyres Ltd

MR. JAI SHROFF

Global CEO of UPL Ltd.

MR. PANKAJ PATEL

Chairman of Zydus Lifesciences Ltd.

MR. SANJIV PURI

Chairman and Managing Director of ITC Ltd.

**IRAN****MR. MAJID GHASSEMI**

Chairperson of Iran Chapter, CEO of Bank Pasargad

MR. HAMED ASGARI

Deputy Secretary General for international affairs of ICCIMA

MR. AMIN TARAFFO

General Director of Bureau of Commercialization and Association Affairs;
National Secretary of TRACECA

MR. MAHDI GHAEMMAGHAMI

CEO of «Tidewater Middle East»

MR. ALI MOUSAVI RAHIMI

Chairman and CEO of «Tunnel Sadd Ariana»

**SOUTH AFRICA****MS. BUSI MABUZA**

Chairperson of South Africa Chapter, Chairperson of Industrial Development Corporation

DR. AYANDA NTSALUBA

Group Executive Director of Discovery Holdings

MR. ELIAS MONAGE

President of the Black Business Council

MS. PHUTHI MAHANYELE-DABENGWA

South Africa CEO of Naspers Ltd

DR. STAVROS NICOLAOU

Group Senior Executive of Aspen Pharmacare Holdings Limited

**UAE****H.E. SULTAN AHMED BIN SULAYEM**

Chairperson of UAE Chapter, Chief Executive Officer of DP World Group

III

**BRICS
Expansion**

BRICS Expansion

BRICS Expansion in 2024: New participants and prospects for business cooperation

On January 1, 2024, a significant event in world politics and economics took place – new participants joined the BRICS group: Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates. This expansion marks a new stage in the development of the global alliance, which, since its inception, has sought to strengthen the multipolarity of the world order and create an alternative path for the development of international cooperation based on the principles of equality, mutual respect and consensus. The introduction of new countries in the BRICS promises to significantly strengthen the BRICS's position, providing new opportunities for business cooperation, as well as contribute to the development of integration at the South global level.

Contribution and significance of the BRICS expansion

The expansion of the BRICS in 2024 was an important milestone that significantly strengthened the group's position on the world stage. New members provide a variety of economic and geopolitical advantages that can stimulate further growth and development of cooperation within the group. Each of new member countries has unique resources and strategic capabilities that can strengthen cooperation in key sectors of the economy, such as energy, trade, finance and infrastructure.

Egypt

Egypt plays a significant role in the geopolitics of the Middle East and Africa due to its strategic location near the Suez Canal, which is an important trade route connecting Europe and Asia. The country is also actively developing the construction and infrastructure sectors, which provides ample opportunities for investment and business cooperation. Egypt can become an important partner for the BRICS countries in the framework of projects related to infrastructure development and modernization of transport corridors.

Ethiopia

Ethiopia, one of the largest African countries in terms of population and a key economic center of the region, is able to make a significant contribution to the development of BRICS. The country has a strategically important geographical location and a rapidly developing economy, with an emphasis on the development of infrastructure, agriculture and industry. As part of business cooperation, Ethiopia can offer the alliance important investment projects in the field of agricultural production, which is important for addressing food security issues.

Iran

Iran is a key player in the global energy arena, with some of the largest oil and gas reserves in the world. In addition, Iran has a developed industry, including petrochemical, metallurgical and automotive industries. These sectors can become important areas for mutually beneficial cooperation, especially in the context of the new global order. In addition, Iran can offer the alliance new routes for the transportation of goods and energy resources, contributing to strengthening ties between Asia and Europe.

Saudi Arabia

Saudi Arabia is the largest oil producer in the world, and its participation in the BRICS significantly strengthens the energy power of the alliance. In addition, Saudi Arabia is actively developing the Vision 2030 economic reform program aimed at diversifying the economy and reducing dependence on oil. Within the framework of the BRICS, Saudi Arabia can offer partners participation in large-scale infrastructure projects, including the creation of economic clusters, the development of renewable energy sources as well as of transport corridors. This opens up significant opportunities to attract investment and expand cooperation in areas such as energy, construction and transport.

United Arab Emirates (UAE)

The UAE is one of the most economically developed countries in the Middle East with a highly diversified economy. Being a major center of international trade and finance, the Emirates, renowned for their advanced technologies, can offer BRICS various projects in the fields of energy, logistics, finance and innovation. Dubai and Abu Dhabi are already global business hubs, and their participation in the alliance creates new opportunities to strengthen financial ties between the BRICS countries, as well as to invest in technology and startups. The UAE can become a gateway for the BRICS countries to enter new markets in the Middle East and North Africa, as well as to strengthen the alliance's position in the field of digital transformation.

The introduction of Ethiopia, Iran, Egypt, the UAE and Saudi Arabia to the BRICS in 2024 significantly strengthens the alliance, giving it a new impetus for development. This expansion opens up new horizons for business cooperation, stimulating trade, investment and technology exchange between the BRICS countries. In the context of the ongoing change in the world order and the growing competition for leadership in the global arena, the BRICS with new participants is becoming one of the key players in shaping the new world economic architecture.

IV

Annual Report

1. RECOMMENDATIONS TO THE BRICS GOVERNMENTS

1.1. AGRIBUSINESS



- Towards food security through climate- and environment-smart agriculture in BRICS countries: Best regional strategies
- Facilitating and advancing agricultural trade among BRICS countries, mutual recognition of sanitary, veterinary and phytosanitary standards
- EU Carbon Border Adjustment Mechanism (CBAM): Effect on fertilizer industry in BRICS countries

1.2. DIGITAL ECONOMY



- Institutionalizing interaction in the field of artificial intelligence (AI)
- Bridging the digital divide & skill gaps
- Promoting scientific cooperation
- Promoting trade and collaboration, inclusive of small, medium and micro-enterprise
- Deepening digital trust

1.3. ENERGY, GREEN ECONOMY AND CLIMATE



- BRICS Energy Skills Atlas
- BRICS Just Energy Transition Centre of Excellence and BRICS Energy Research Directory
- BRICS Clean Energy Fund
- BRICS Energy Cooperation Forum
- Initiative on BRICS+ Fairy Tales about Renewable Energy
- Initiative on Development a Hub infrastructure for the Integration of the National Voluntary Carbon Markets

1.4. FINANCIAL SERVICES



- Consider offering support to SMEs in BRICS countries by leveraging resources of the NDB through setting up of a BRICS SME Fund
- Support discussions of the IP assessment methodology for pledge financing (IPPF) and consider, whether SMEs can be supported through the NDB using the IPPF
- Decide on principal support of the initiative to research the possibility of establishing BRICS Reinsurance Capacity and its institutional form and for BRICS Business Council under the principle of commercial voluntariness to further discuss the development of the concept
- Recognize and support the continued cooperation on development of BRICS Transition Finance Framework initiated in the BRICS Business Council (see Annex 1)
- Consider the possibility of the NDB playing an active role in supporting transition finance projects as a part of financing aimed at achieving climate goals, given the important role of the NDB in promoting sustainable development of its member countries
- Support the establishment of the BRICS Sustainable Development Network (see Annex 2)
- Provide assistance in invitation of organizations and other entities representing business and/or expert communities, such as the largest companies, industrial Networks, financial institutions and key expert organizations of the main sectors of the economy who are the key market players in the field of sustainable development and just transition to join the Network

1.5. INFRASTRUCTURE



- To highlight feasibility of support of a Concept for creating a Global Logistics Platform
- To recommend to continue systematic work on increasing logistics connectivity between the BRICS countries for development of mutual trade and economic growth

- To support regular updating of the Guide for BRICS Transport Barriers and development of an Electronic Communication Platform BRICS Transport.com
- To continue systematic work on development of the BRICS Transport Academy

1. 6. TRADE AND INVESTMENT



- Promote trade cooperation through the harmonization of regulatory standards
- Develop robust supply chain networks for goods of critical nature, including medical supplies, vaccines, life-saving pharmaceuticals, food products, and related technologies

1. 7. MANUFACTURING



IN PROGRESS

1. 8. AVIATION



IN PROGRESS

1. 9. SKILLS DEVELOPMENT, APPLIED TECHNOLOGY AND INNOVATION



- To continue further Development of the BRICS Future and Skills tech challenge
- To recommend BRICS Future Skills Training Activities development and Training Bases construction
- To facilitate forecasting work on cross- cutting technologies, promising technological specializations and staff demand in the field of high technologies
- To enhance the technology cooperation and consider strengthening the technology agenda, including the development of BRICS technology platform and alliance of science and technology innovation
- To Promote Knowledge sharing programmes and formats like BRICS Auditorium of Skills Development and Technology Innovation and International Skills development platform
- To recognise and support Development of BRICS Standards for assessment, competitions and curriculum on a voluntary basis
- To work on skills and qualifications harmonisation

1.1. AGRIBUSINESS

STRATEGIC INITIATIVES

The expansion of BRICS has profound implications for global agricultural policies and food security. With the new membership bringing BRICS's reach to 45% of the global population and 20% of world trade, the grouping is poised to play a pivotal role in shaping agricultural practices and policies. Collectively, the BRICS nations, including the newly added members, produce over 50% of the world's agricultural output.

The establishment of the "Action Plan for 2021–2024 for Agricultural Cooperation" and the "BRICS Agricultural Research Platform" reflects the group's commitment to advancing sustainable development goals and addressing food security challenges. As BRICS consolidates its role as a key player in international agri-food markets, its expanded membership, including significant resource and energy powers, enhances its capacity to influence global agricultural trade and food security.

The BRICS members' strong economic and trade interests and their desire for inclusive multilateralism are also reflected in the annual BRICS summit declarations. The summits in India in 2021 and China (virtually) in 2022, for example, emphasised the importance of (unhindered) international agricultural trade and trade dialogues for global food security. The most recent summit in South Africa also highlighted the expansion of partnerships for sustainable development between BRICS and Africa.

Based on previous years' activities and taking into consideration current challenges in agriculture, Agribusiness WG has developed three strategic initiatives that includes blocks of key activities:

1. Towards food security through climate- and environment-smart agriculture in BRICS countries: Best regional strategies

- Enhancing food security of BRICS countries
- Considering applicable actions and goals discussed at COP28
- Developing climate change adaptation strategies for agriculture
- Proposing guidelines for flagship BRICS international cooperation research projects on decarbonization technologies in agriculture

- Science-based assessment of carbon footprinting in agricultural production
- Sharing best practices of Climate and Environment Smart Sustainable Agriculture
- Organizing a Seminar / Symposium on Climate- and Environment-Smart Agriculture
- Advocating to construct the BRICS Climate Smart Agriculture Demonstration Area
- Limiting heavy metal inputs to agricultural soils with phosphate fertilizers
- Educational activities through the *Pro Agro Lectorium* platform with the inclusion of 3 universities and up to 30 lectures from each country
- Promoting exchanges and cooperation on BRICS agricultural science and technology in a series of journals (Climate Smart Agriculture Journal as an example)
- Releasing the 2024 BRICS Case Report on Agricultural Sustainable Development

2. Facilitating and advancing agricultural trade among BRICS countries, mutual recognition of sanitary, veterinary and phytosanitary standards

- Interaction with the BRICS intergovernmental structures
- Creating mechanisms for mutual recognition of sanitary, veterinary and phytosanitary standards and mitigating other non-tariff barriers
- Promoting negotiations of mutual recognition of animal disease regionalization because different regions in large BRICS countries can't be affected by animal cases that happened far from production sites (Foot and Mouth Disease and Avian Influenza for example)
- Suggestion on the request for the Russian Federal Service for Veterinary and Phytosanitary Surveillance to approve the roasted eel exporting companies on the list provided by the General Administration of Customs of China
- Addressing food supply in specific requirements of BRICS countries (halal production for example)
- Discussing the potential mutual recognition of crop variety verification and registration and the pesticide access system among BRICS countries

3. EU Carbon Border Adjustment Mechanism (CBAM): Effect on fertilizer industry in BRICS countries

- Science-based assessment of carbon footprinting in fertilizer production considering internationally recognized methodologies
- CBAM, Deforestation like regulations from Europe to be kept outside the purview of global trade.

EDUCATIONAL PLATFORM ON AGRICULTURE

Context:

The educational platform *Pro Agro Lectorium* was created as an open source of knowledge on responsible and sustainable agriculture for extensionists, farmers and students. We set an ambitious goal of training the new generation of farmers on advanced agrotechnologies to meet the demands of the future in partnership with the top universities across the BRICS group. The platform implements innovative teaching methods and strategies and provides necessary skills for students helping them to start their career in agriculture.

Famous scientists and prominent agri-industry experts *are invited to contribute to the* digital educational hub by recording video lectures on innovative agrotechnologies that can *contribute to the achievement of food security while minimizing the impact of agriculture on the environment and climate.* The educational platform includes *open access* video lectures on such challenging topics as fertilizer production technologies, plant nutrient management, silicon in agriculture, inputs of heavy metals to agricultural soils, soil and plant health, carbon sequestration, climate-smart agriculture, livestock farm management. Seven BRICS countries already participate in educational activities, and the total number of video lectures from the BRICS group has reached 100 (September 2024).

Benefits:

Pro Agro Lectorium enables knowledge dissemination and technology transfer in the agricultural sector of BRICS countries thus helping to enhance food security through climate- and environment-smart agriculture.

SYMPOSIUM ON CLIMATE- AND ENVIRONMENT-SMART AGRICULTURE

Context:

The International Symposium on Climate- and Environment-Smart Agriculture was organized as a videoconference on May 15th, 2024 by the BRICS Business Council Working Group on Agribusiness, PhosAgro, the Diplomatic Academy of the Ministry of Foreign Affairs of the Russian Federation and the Russian State Agrarian University – Moscow Timiryazev Agricultural Academy, with technical support from the FAO Liaison Office with the Russian Federation. The participants discussed the prospects for developing cooperation in the agricultural sector within BRICS countries involving the use of state-of-the-art solutions aimed at moving towards sustainable, responsible and climate-smart agriculture.

Leading scientists from national academies of science and research associations in China, Ethiopia, India, Russia, South Africa and Sudan presented the latest climate- and environment-smart agricultural technologies developed for the soil and climatic conditions in their respective regions. Video presentations from the BRICS Symposium are available in the section on Climate-Smart Agriculture of the educational platform at the following link: <https://lectorium.phosagro.com/lectures/climate-smart-agriculture/>.

Benefits:

The Symposium on Climate- and Environment-Smart Agriculture gave impetus to the development of knowledge exchange and cooperation between BRICS countries in the agricultural sector. It is proposed to hold such representative events on an ongoing basis.

SUSTAINABILITY PRACTICES IN AGRIBUSINESS AND FOOD SECURITY

Context:

As BRICS nations strengthen their coherence and increase the grouping's influence on the global stage, the collective responsibility to address sustainability and climate change issues becomes crucial. The BRICS grouping, including its extended BRICS format, holds a unique opportunity to promote and implement sustainable practices across diverse economic sectors. Given the pressing challenges posed by climate change, it is essential for BRICS countries to collaborate in developing and deploying solutions that not only reduce greenhouse gas (GHG) emissions but also foster sustainable development in agribusiness.

The BRICS grouping must position itself as a global platform for advancing innovative methods and technologies that support sustainability. The New Development Bank (NDB), established to facilitate financial and developmental cooperation among BRICS nations, plays a pivotal role in this endeavor. By providing targeted financing mechanisms, credit facilities, and supporting low-cost technology transfers, the NDB can enable member countries to adopt sustainable agricultural practices and green technologies. Such initiatives are critical not only for reducing GHG emissions but also for enhancing food security, particularly in regions vulnerable to the impacts of climate change.

Advocating the Nationally Determined Contributions (NDCs) within the UNFCCC Paris Agreement framework and countries' commitments in sustainability matters must be crucial to the BRICS agenda. Robust national plans of climate adaptations, as most countries are vulnerable to climate change, can be a tool to guarantee food security and supply for the future.

Moreover, countries must also find solutions to deforestation and cooperate in monitoring and promoting sustainability in the agribusiness supply chain and due diligence practices, and should advocate for a fair green transition, while fostering regional best practices, to develop opportunities in sustainable trade.

The BRICS grouping must advocate for the respect to NDC commitments and sustainability commitments by all member nations. These commitments represent each country's specific strategies for reducing GHG emissions and transitioning to a more sustainable economy. By promoting sustainability commitments, the BRICS grouping can demonstrate its dedication to the global climate agenda while ensuring that sustainability efforts are both effective and equitable.

The global population is projected to reach 9 billion by 2050, with BRICS countries playing a pivotal role in this growth. The grouping will include four of the ten most populous nations, with China, India, Brazil, and Ethiopia alone accounting for over 35% of the global population. As the BRICS nations continue to experience population growth, ensuring food security for this expanding population will be essential.

The challenge extends beyond food supply but ensuring intake of calories and proteins. Promoting food access is critical to mitigating food insecurity, and cooperation among BRICS countries in sharing best practices to promote food affordability is vital to achieving this goal.

According to the FAO-OECD agricultural outlook for the next decade, nearly 94% of the additional global consumption will occur in middle and low-income countries, many of which are existing or new BRICS members. This trend is driven by unique economic, demographic, and consumer preference patterns within these nations. Calorie intake is expected to increase by 7% in middle-income countries, fueled by greater consumption of staples, livestock products, and fats. However, in low-income countries, calorie intake will only grow by 4%, which is insufficient to meet the Sustainable Development Goal of zero hunger by 2030.

India and Southeast Asian countries are expected to account for 31% of global consumption growth by 2033, with India alone contributing half of this share due to its growing urban population and increasing affluence. Meanwhile, Brazil, Russia, and South Africa, with their agricultural surpluses, are well-positioned to address food insecurity in other regions.

With one in every six people worldwide relying heavily on food trade for sustenance, ensuring food security should be a top priority for BRICS nations. The grouping's agricultural sectors are robust and capable of meeting both volume demands and specialized requirements, such as halal production (especially regarding BRICS new members). To address food insecurity challenges, it is essential to enhance the trade of agricultural products among BRICS countries by reducing tariff and non-tariff barriers. BRICS countries still face high tariffs in certain agricultural sectors trade within the grouping, where duties can reach up to 100%.

BRICS countries face diverse agro-climatic conditions and have varying priorities when it comes to food security. Over the past fifty years, food choices and eating habits have undergone significant changes, driven by a multitude of factors. To address these evolving challenges, a working subgroup could be established to facilitate effective dialogue and the exchange of experiences among BRICS nations in developing policies and programs for food security. The

insights gained from these discussions would serve as a foundation for making targeted recommendations to strengthen food security cooperation within the BRICS framework.

Additionally, there is a need to develop cooperative mechanisms to mitigate tariff and non-tariff barriers. Enhancing intra-BRICS trade should be a cornerstone of efforts to ensure food security. BRICS countries must commit to establishing regular dialogue forums and meetings focused on agricultural trade cooperation.

Enhance collaboration for sustainable development: BRICS nations should intensify collaboration in developing innovative technologies and practices that reduce greenhouse gas emissions, fight deforestation and promote sustainable development. This could be reached by leveraging the New Development Bank (NDB) finance to green practices and create mechanisms of bilateral dialogue to facilitate cooperation between countries. These financing mechanisms should be aimed for agribusiness and food supply chains.

Adhere to and advocate for Nationally Determined Contributions (NDCs): BRICS countries must reaffirm their commitment to the Nationally Determined Contributions (NDCs) under the UNFCCC Paris Agreement and other sustainability commitments. BRICS should lead by example in championing sustainability, ensuring each nation adheres to its GHG emission reduction strategies and other climate change mitigation practices.

Tariff and non-tariff barriers mitigation: as BRICS countries play a significant role in both the demand and supply of agricultural goods, enhancing intra-grouping trade is essential to addressing food security challenges. It is crucial to mitigate trade barriers that occur within the grouping. Reducing these barriers will facilitate a more efficient flow of agricultural products, ensuring that supply meets demand across the BRICS nations.

Benefits:

This proactive approach will foster greater collaboration among BRICS nations, thereby strengthening food security across all member countries.

BUILDING PARTNERSHIP ON INNOVATIVE AGRITECHNOLOGIES

Water conservation practices in agriculture using relevant technologies

Context:

Water scarcity is among the most critical challenges facing the world today, with 2.4 billion people living in water-stressed regions. Agriculture, responsible for 72% of global freshwater withdrawals, is both a significant contributor to this issue and a potential solution. The situation is exacerbated by climate change, population growth, and unsustainable water management practices, leading to reduced freshwater resources, degraded water quality, and increased competition for water. These challenges have particularly severe impacts on smallholder farmers, women, indigenous peoples, and marginalized communities who rely on water for their livelihoods.

In India, for example, agriculture consumes nearly 80% of freshwater resources, making water management a national priority. Traditional practices like rainwater harvesting and canal irrigation have been integral to Indian agriculture and the country is looking at more such solutions to meet modern demands, especially in arid and semi-arid regions. Other BRICS nations also face similar challenges. For instance, China has focused on smart irrigation systems and drought-resistant crops, Brazil on precision agriculture and rainwater harvesting, South Africa on water-efficient crop varieties and sustainable soil management, and Russia on advanced water management technologies.

To confront these challenges, India has progressively adopted modern water conservation technologies. Drip irrigation and sprinkler systems have become common, allowing for precise water application directly to plant roots, thereby minimizing water wastage. Subsurface irrigation is another method that enhances water-use efficiency, particularly in regions where water is scarce. Complementary agronomic practices like crop rotation, soil moisture management, and mulching contribute to improved soil health and water retention, further enhancing the sustainability of farming practices.

India has also integrated precision agriculture technologies to revolutionize water management. The use of sensors and IoT devices enables real-time monitoring of soil moisture, ensuring that irrigation is applied only when necessary. Remote sensing and satellite imagery allow for the assessment of water needs over large areas, helping farmers to manage water resources more

effectively. Data-driven approaches, including AI and machine learning, offer predictive analytics that support decision-making processes to optimize water use.

Innovative solutions, such as Super Absorbent technology, which enhances soil water retention, and solar-powered irrigation systems, are also gaining popularity. These technologies not only improve water efficiency but also reduce the carbon footprint associated with traditional farming practices.

Another key innovation is the Integrated Watershed Management (IWM) & Sustainable Agriculture Land Management (SALM) project. This initiative captures and stores rainwater, reduces runoff, and recharges groundwater through the construction of check dams, contour bunds, and percolation tanks. By integrating modern conservation technologies with traditional practices, the project ensures a sustainable water supply in drought-prone areas.

In line with these advancements, India's Sustainable Sugar Program, known as Shashwat Mithaas, is a prime example of how water conservation technologies are being implemented in specific agricultural sectors. This program addresses challenges in the sugarcane ecosystem by optimizing water usage, improving soil health, and increasing yield, all while ensuring sustainable practices.

Benefits:

The implementation of modern water conservation practices has yielded significant benefits across various regions in India. There has been a marked improvement in water-use efficiency, which has translated into increased crop yields and enhanced farm productivity. The success of these practices in India demonstrates the potential for replication in other BRICS countries, fostering an environment of international collaboration and knowledge sharing.

China's advancements in smart irrigation and drought-resistant crops have led to more resilient agricultural systems. Brazil's precision agriculture and rainwater harvesting in the Amazon have maintained a balance between agriculture and environmental preservation. South Africa's development of water-efficient crop varieties and sustainable soil management

has helped mitigate water scarcity challenges. Russia's large-scale irrigation and advanced water management technologies have secured agricultural productivity in regions with limited water resources.

Overall, these collective efforts underscore the importance of water conservation in achieving sustainable agriculture within BRICS nations. By integrating technology, policy frameworks, community engagement, and education, these countries are paving the way for a more sustainable and resilient agricultural future. The success of these initiatives not only addresses current water scarcity issues but also sets a precedent for future efforts in global water conservation.

DIGITAL INTEGRATION IN AGRICULTURE

Context:

Digital integration in agriculture is not just a trend; it is a necessary evolution that will shape the future of farming. By embracing digital technologies, the agricultural sector can overcome its current challenges, increase productivity, and achieve sustainability. As digital agriculture continues to advance, it holds the promise of revolutionizing the way we grow, distribute, and consume food, ensuring a secure and sustainable future for all. In India, for example, the Pradhan Mantri Fasal Bima Yojana (PMFBY) serves as a flagship program that exemplifies the potential of digital tools in transforming agriculture. The PMFBY aims to provide insurance coverage and financial support to farmers in the event of crop failures due to natural calamities, pests, and diseases. However, its success hinges on robust digital infrastructure and the integration of cutting-edge technologies.

The digital transformation of PMFBY has involved the deployment of satellite imagery, mobile applications, and data analytics to streamline the insurance process. Satellite-based remote sensing is used for crop area estimation, yield prediction, and damage assessment, ensuring accurate and timely insurance payouts. The integration of mobile apps allows farmers to enroll in the scheme, report crop losses, and track their claims, making the process more transparent and accessible. Furthermore, the use of AI and machine learning algorithms enhances the accuracy of crop yield forecasts,

enabling better risk assessment and pricing of insurance premiums. The program also leverages blockchain technology to ensure data security and prevent fraud, thereby increasing trust among stakeholders.

Benefits:

The digital integration within PMFBY has significantly reduced the time required for claim settlements, increased the accuracy of loss assessments, and improved the overall efficiency of the insurance process. Farmers benefit from timely financial support, which helps them recover from losses and invest in future crops, thereby enhancing their resilience to climate-related risks. The success of PMFBY serves as a model for other BRICS nations to adopt similar digital initiatives, fostering a more resilient and sustainable agricultural sector across the grouping.

DECARBONIZATION IN AGRICULTURE

Context:

Agriculture is a major contributor to greenhouse gas (GHG) emissions, particularly through methane emissions from rice paddies, nitrous oxide from fertilizer use, and carbon dioxide from energy-intensive farming practices. As part of its commitment to the Paris Agreement and Sustainable Development Goals (SDGs), India, for example, has embarked on a journey to decarbonize its agricultural sector, focusing on reducing emissions while maintaining productivity and food security. India's decarbonization efforts in agriculture are multi-faceted, involving the adoption of low-emission technologies, sustainable farming practices, and innovative policies. One key initiative is the development and deployment of nano fertilizers, which are designed to deliver nutrients more efficiently, reducing the need for conventional fertilizers that contribute to GHG emissions. These nano fertilizers have been tested and proven to reduce nitrous oxide emissions while improving crop yield.

To further reduce the use of chemical fertilizers without compromising crop yields and promote sustainable soil management, India is also encouraging the use of bio-fertilizers and bio-stimulants derived from seaweed cultivation. Seaweed extract bio-stimulants have shown beneficial effects on plants by increasing overall plant growth and productivity, as well as enhancing resistance to biotic and abiotic

stresses. Additionally, seaweed cultivation addresses several UN SDGs and has high carbon sequestration potential.

Additionally, India is promoting sustainable rice cultivation practices, such as the System of Rice Intensification (SRI), which reduces methane emissions by minimizing water use in paddy fields. The use of bio-fertilizers and organic farming practices is also being encouraged to lower the carbon footprint of agriculture. Solar-powered farm equipment and irrigation systems are being introduced to replace diesel-powered machinery, further reducing carbon dioxide emissions. There are also investments in research and development of climate-resilient crop varieties that require fewer inputs and are more tolerant to extreme weather conditions.

Benefits:

Decarbonization initiatives have led to a measurable reduction in GHG emissions from the agricultural sector, contributing to India's climate goals. The adoption of sustainable practices has also improved soil health, increased biodiversity, and enhanced the resilience of farming systems to climate change. By sharing these experiences and technologies with other BRICS nations, India can contribute to a collective effort to reduce agricultural emissions globally, supporting the transition to low-carbon food systems.

AGRITECH: BUILDING A CONDUCTIVE ECOSYSTEM FOR SCALING AGRI-STARTUPS

Context:

Globally, agritech startups are at the forefront of addressing significant challenges in the agricultural value chain, including suboptimal productivity, inefficiencies in supply chains, limited market access, insufficient institutional credit, inadequate crop insurance, and shortages of quality inputs. The agri-startup ecosystem in India, for example, has seen remarkable growth over the past decade, with over 6,000 agritech startups registered with DPIIT. This impressive expansion is a testament to the increasing adoption of digital solutions in agriculture, with 10-15% of India's 150 million farmers integrating these technologies into their practices. There is a significant opportunity to scale these innovations across BRICS nations, particularly in countries with a high percentage of smallholder farmers.

Below are the strategies for building a conducive

ecosystem that fosters the growth and scalability of agri-startups across BRICS countries:

Expanding agri-tech solutions to global markets: India's agritech startups are increasingly exploring opportunities beyond domestic borders, with many already establishing a presence in multiple countries. This trend is encouraging as it reflects the global relevance of Indian agritech solutions, particularly for markets with a large share of smallholder farmers. Countries like Brazil, South Africa, China, and those in Southeast Asia and Africa are prime candidates for these technologies, which are designed to meet the unique challenges of smallholder agriculture.

Institutionalizing support for market expansion: To facilitate the expansion of Indian agritech startups into BRICS and other LMIC countries, it is essential to institutionalize support at the government level. This support should include regulatory facilitation, assistance in identifying and partnering with local entities, and financial incentives to help startups establish a foothold in new markets. For instance, programs like the \$100,000 grant provided to startups entering new geographies, such as those supported by the Gates Foundation for building the India-Africa corridor, can be a model for similar initiatives across BRICS nations.

Leveraging Digital Public Goods (DPGs): The Indian government has recognized the potential of Digital Public Goods (DPGs) in transforming agriculture, with initiatives like AgriStack, CropStack, SoilStack, and Pest Surveillance Stack in development. These platforms aim to integrate digital solutions into the agricultural value chain, enhancing efficiency and productivity. Given the interest from countries like Kenya in replicating India's AgriStack framework, there is an opportunity to extend these DPGs to BRICS nations, facilitating a shared digital infrastructure that can drive agricultural innovation across borders.

Creating an India-BRICS Agri-Tech Corridor: As India gears up to host the BRICS summit in 2026, there is an opportunity to create a dedicated India-BRICS Agri-Tech Corridor. This corridor could serve as a platform for continuous exchange and collaboration among BRICS nations, focusing on agri-tech innovation and scaling solutions. By institutionalizing regular

exchanges, developing action plans, and setting milestones, this corridor can foster long-term partnerships and drive impactful outcomes.

Balancing focus between digital and biotech solutions: While the majority of agri-startups are currently focused on digital technologies, there is a need to balance this with innovations in agri-biotech. The global relevance of biotech solutions from BRICS countries, such as bio-stimulants and other agri-biotech products, must be recognized and promoted within the BRICS framework. Building a critical mass of successful case studies in agri-biotech can encourage greater investment and support for scaling these solutions across BRICS countries.

Government and multilateral engagement: To ensure the success of these initiatives, an active engagement from both government bodies and multilateral organizations is assumed. Institutions like NITI Aayog and NABARD in India, and international bodies such as the World Bank, the New Development Bank, and Gates Foundation can play a crucial role in supporting the development and deployment of agri-tech solutions across BRICS nations. Collaborative efforts should focus on creating institutional frameworks that provide consistent support to startups, including funding, technology exchange, and policy alignment.

Benefits:

The convergence of agri-tech innovation across BRICS nations offers a transformative opportunity to address common agricultural challenges, particularly for smallholder farmers. By institutionalizing support, leveraging digital public goods, and creating dedicated platforms for collaboration, BRICS countries can build a conducive ecosystem that enables agri-startups to scale their solutions globally. As India is assumed to take the lead in this effort, there is potential to set a precedent for sustainable agricultural development that benefits not only BRICS nations but also the global farming community.

HARMONIZATION OF AGRICULTURAL STANDARDS

Context:

Establishing the standard system of agricultural products in BRICS countries is an important mechanism to promote the

facilitation of agricultural trade. At present, there are differences in the standard system of agricultural products among BRICS countries, calling on BRICS countries to strengthen mutual learning and cooperation in order to reach more consensus on the premise of abiding by relevant international multilateral rules and agreements. Therefore, it is jointly proposed:

- Strengthen information exchange, publish and inform new or revised standard systems and measures in a timely manner, and provide stakeholders with reasonable channels and time limits for evaluation.
- Encourage the transformation of international standards into domestic standards in line with national realities, and timely notification of differences from international standards for discussion and mutual reference among BRICS countries.
- Promote the sharing of knowledge, experience and research results in the fields of animal and plant diseases and insect pests, food safety and agrochemicals, carry out joint research and establish consultation mechanisms.

At present, China has established a complete animal epidemic prevention and control system, and has formulated relevant laws and regulations such as the Food Safety Law, the Animal Epidemic Prevention Law, the Import and Export Commodity Inspection Law, the Entry and Exit Animal and Plant Quarantine Law, and the Regulations on the Registration and Management of Overseas Production Enterprises of Imported Food.

In terms of import, China has been actively carrying out regional management of animal diseases with BRICS countries on the basis of scientific and prudent assessment, such as foot-and-mouth disease from Brazil, Russia and South Africa, and highly pathogenic avian influenza in poultry from Russia.

Non-tariff barriers (NTBs), especially those related to Maximum Residue Levels (MRLs) of pesticides, have become significant obstacles to agricultural trade among BRICS countries. These measures often reflect the Brussels effect, which can limit the export potential of BRICS nations. Despite accounting for 50% of global agricultural output, BRICS countries contribute only 15% to global agricultural exports. The EU's MRL policies, such as the near-zero tolerance levels of ≤ 0.01 ppm, have disproportionately

affected BRICS exports, leading to substantial economic losses for these countries. This situation is exacerbated by the fact that such MRLs often lack a basis in risk assessments aligned with the WTO-SPS Agreement, which stipulates that pesticide MRLs should not be applied in a manner that constitutes arbitrary or unjustifiable discrimination in international trade. Therefore, harmonizing trade regulations and standards within BRICS is crucial for enhancing market access, ensuring fair competition, and promoting agricultural trade within the grouping.

India Chapter of the Agri-Business Working Group has done much in advocating for the harmonization of trade standards within the BRICS framework. This includes initiating collective negotiations to establish mutually acceptable MRLs that align with global standards while considering the specific agricultural practices and environmental conditions prevalent in BRICS countries. India's approach involves developing a common framework for pesticide regulation that could be adopted across the BRICS nations, thereby reducing the trade barriers currently imposed by divergent standards.

BRICS nations are actively engaging to develop platforms for the exchange of information, best practices, and regulatory expertise. These collaborative efforts aim to address the challenges posed by NTBs, particularly those associated with adopting modern agricultural practices and technologies that may not yet be recognized by existing international standards.

Benefits:

Trade facilitation measures will promote the growth of agricultural trade in BRICS countries; deepen the mutual understanding and reference of relevant regulations and measures of BRICS agricultural standards system; strengthen the coordination between BRICS governments and businesses.

Harmonizing trade standards among BRICS countries will facilitate smoother and more equitable trade flows, reducing the costs and complexities associated with meeting divergent regulatory requirements. This harmonization will not only boost agricultural exports within the BRICS grouping but also strengthen economic ties among member countries. Moreover, it will position BRICS as a united front in the global trade landscape, offering a viable alternative to traditional markets.

ADVANCING AGRICULTURAL TRADE

Context:

The changing geopolitical and global economic landscape necessitates that BRICS countries deepen economic cooperation and improve trade. Agriculture is one sector where the need for deepening regional economic integration and trade is more urgent. Currently, the original BRICS countries, before the additional members from the 15th Johannesburg 2023 Summit, imported, on average, nearly US\$300 billion worth of agricultural products annually*. China and India account for the lion's share of these imports. The key agricultural products the BRICS grouping imports are soybeans, palm oil, beef, maize, berries, wheat, cotton, pork, apricots and peaches, sorghum, rice, and sugar. These are products that are produced at scale by some BRICS countries. However, imports to other BRICS members typically originate from suppliers outside the grouping.

With regard to advancing agricultural trade among BRICS countries, in addition to promoting trade in staple agricultural products such as oilseeds, vegetable oils, cereals, meat and poultry, it is also very important to promote trade in food products. It is suggested that through facilitation measures, such as prudent use of trade remedies, reduction of unnecessary trade restrictions, and encouragement of easier trade, BRICS countries should promote more smooth trade in grains and food.

Aquaculture products, such as abalone and eel, also remain vital in the BRICS region. Therefore, open trade on abalone, eel and other aquaculture products should also be promoted, aiming to lower tariffs and address any other existing non-tariff barriers.

The higher tariffs and ambiguous and prohibitive phytosanitary regulations have proven to be a barrier to agricultural trade within the BRICS grouping. Remarkably, some BRICS countries have far more favourable trading terms with other countries outside the BRICS grouping, thus resulting in lower intra-BRICS trade.

The need to correct this misalignment in trade is even more urgent with the expanded BRICS grouping. The new BRICS members mean

that the agricultural market of the grouping is even much broader and thus holds a potential economic benefit for members.

As BRICS matures from the political economy, deepening regional economic integration and trade is the most logical step towards expanding the ambition of the group, particularly in agriculture. Another vital benefit of advancing agricultural trade is ensuring food security within the BRICS grouping.

Liberalization of trade in agricultural products can make intra-BRICS trade more competitive and efficient, reducing reliance on markets like the EU, which are increasingly adopting stringent regulatory requirements under strategies like the Farm-to-Fork initiative. A balanced trade arrangement within BRICS would also facilitate the calibrated opening of agricultural markets, taking into account each country's national interests and the need to protect emerging industries.

Brazil, South Africa, and Russia typically have a large surplus volume of products that India and China, amongst others, import from the world market. Reducing import tariffs and various non-tariff barriers, or the opening up of tariff rate quotas for specific agricultural products would help expand the level of ambition in a more meaningful way, and initiate a process of progressively deepening trade among our countries. The level and scope of reciprocal trade arrangement would be subject to negotiation, and it means that China and India would also receive preferential market access to various products they produce, which South Africa, Brazil, and Russia, amongst other members, import in large volumes.

All countries' BRICS Business Council members support advancing trade to broaden and deepen the relationship beyond diplomatic and political relations and translate these to tangible economic benefits for member countries. Importantly, with the rising population in huge BRICS markets like India and China, the demand for food, fibre and beverages is high and will continue to rise. Thus, it would be helpful for other BRICS members with the potential to boost agriculture to support a potential increase in demand.

The BRICS Business Council calls upon the

* This is based on data from Trade Map. The data can be accessed here: https://www.trademap.org/Country_SelProduct_TS.aspx?nvpm=1%7c%7c6757%7c%7c%7c%7c75088%7c%7c2%7c1%7c1%7c1%7c2%7c1%7c3%7c1%7c1%7c1

political leadership of member countries to explore the scope for reducing import tariffs and removing non-tariff barriers amongst the members, propose recommendations to mitigate trade distortions, thereby deepening economic cooperation within the BRICS grouping and expanding agricultural trade in a balanced manner that serves the interests of all members. The group may explore a BRICS agricultural trade framework.

In addition, it is suggested to observe non-tariff barriers adopted by other countries in the world and actively work with these countries to remove disproportionate and unjustifiable restrictive measures.

Benefits:

BRICS countries will shape global trade practices, promoting fair and sustainable trade that benefits economic progress in all BRICS member nations. The collective advancement of agricultural trade within BRICS will also ensure food security in the face of rising populations and climate change challenges, fostering a trade environment that balances increased market access with the need to protect and develop domestic agricultural industries.

Issues under discussion

Strategic initiatives:

- Continue discussions for evaluating feasibility of the construction of a carbon trading system for agricultural products in BRICS countries
- Directing our respective attention towards enhancing trade and discussing promotional programs and measures for those featured and competitive agricultural products with market demand so as to boost the agricultural trade between BRICS countries
- Agrochemical trade liberalization between BRICS countries
- Enhance food security in BRICS countries by promoting trade between grouping countries. Creating a mechanism to mitigate tariff and non-tariff barriers for agricultural products.
- Collaborate to developing innovative technologies and practices to promote sustainable development in BRICS countries. Reaffirm commitments in sustainable practices from BRICS countries. Leverage finance from the New Development Bank (NDB) to grouping agricultural sector and create mechanisms of bilateral dialogue.

1.2. DIGITAL ECONOMY

The development and deployment of digital technologies in the BRICS countries are essential for the future of these nations and the global economy. These countries are already at the forefront of the development and adoption of various digital innovations, such as artificial intelligence, big data, and blockchain. Through collaboration the BRICS nations can further accelerate this process and contribute to the worldwide advancement of these technologies. By sharing their knowledge, resources, and expertise, the BRICS states can create a collaborative and productive atmosphere for the advancement of digital technology. This will allow them to benefit from each other's innovations and experience, as well as contribute to the growth of the global economy.

The importance of developing cooperation between the BRICS countries in the area of the digital economy has been emphasized repeatedly in various documents issued by the BRICS.

For example, in 2015 BRICS member states adopted the Strategy for BRICS Economic Partnership. This strategy focuses on the digital economy as one of the key areas of cooperation between these countries. It emphasizes the importance of information and communication technologies, such as artificial intelligence and the Internet of Things, in driving economic growth and development.

In 2016, the BRICS member states adopted the Joint IT Action Plan, which includes six key areas: the formation of a national development program based on information and communication technologies (ICT), integration among sectoral ICT companies at all levels, research and development as well as innovation in the field of ICT, particularly with the use of AI technologies, expansion and strengthening the capacity of the digital economy, development of electronic government, including public mobile applications, and international cooperation and coordination of joint activities.

While different BRICS nations are at different levels of digital development, all have unique and complementary strengths. By working together, BRICS countries can promote access to the benefits of digital technologies. It is important to note that these technologies should reflect a diverse range of linguistic, cultural, racial and geographical contexts of BRICS countries.

More focus should be given to strengthening the Digital Economy of the BRICS countries by Infrastructure Development, Cybersecurity Collaboration, and Digital Inclusion. BRICS are laboratories for digital inclusion and digital innovation. These innovations are extremely relevant in the Global South where scores of people remain outside the formal financial system and similar numbers suffer from internet poverty. We must leverage our digital development expertise and offer it for mass usage. BRICS should engage with each other on developments around Digital Public Infrastructure in respective countries and how such solutions can benefit others.

The proposed actions below will help to increase the joint competitiveness and economic growth of BRICS countries. This, in turn, will lead to an increase in the overall well-being of the people in the BRICS nations, create new jobs and opportunities for people in the region and create a more equal and prosperous future for all their citizens.

Focus Areas

I. INSTITUTIONALIZING INTERACTION IN THE FIELD OF AI

Context:

It cannot be denied that AI technologies play a significant role in shaping the future of human progress. They have the potential to open up new avenues for socio-economic growth, as well as accelerate the achievement of the Sustainable Development Goals in economic, social, and environmental terms. That is why it is crucial for businesses in the BRICS countries to identify the most significant aspects of AI in order to discuss and develop shared approaches to effectively solving problems and utilizing the benefits that these technologies have to offer. To achieve this, we must establish a stable community of BRICS AI experts who can communicate on a single platform.

Recommendation

1. Creating a network of artificial intelligence communities, providers, research institutes, information technology companies and other relevant entities dedicated to improving the quality of life for people in BRICS+ countries through maximizing the potential of AI to accelerate technological progress.
2. Establishing a knowledge sharing digital

platform for exchanging multidisciplinary research and discussing key issues within the BRICS AI community.

3. Hosting an online exhibition that will showcase the unique cultural charm of BRICS nations through the lens of AI technology. In particular, an exhibition and seminar on Generative AI Art holds immense potential to catalyze cultural exchange, foster innovation, and promote global cooperation towards sustainable development goals.

Benefits:

Institutionalizing interaction in the field of AI will help to reach the goal of facilitating BRICS cooperation in the field of AI and serving as a global resource for specific AI-related topics and the spread of trustworthy AI technologies. This will lead to a more collaborative and productive environment for the development of AI technology in the BRICS.

II. BRIDGING THE DIGITAL DIVIDE & SKILL GAPS

Context:

Today, it is more important than ever for the BRICS countries to bridge the gap in digital technologies, including AI, and to address the lack of digital skills among their populations. This requires taking into account each country's unique needs, policies, and priorities in order to maximize the benefits of digital technology while minimizing risks and accelerating innovation.

The digital divide and skill gaps can lead to certain groups of people having fewer opportunities to access information, study, find work, and participate in public life. This can also affect their ability to adjust to changes in society and the economy. In order to bridge this divide, it is essential to ensure that all segments of society have access to the Internet and digital technologies. Additionally, it is crucial to provide training for people to learn how to use these tools effectively.

4. Creating an AI knowledge base in BRICS countries, which facilitates access to information on key aspects of AI in BRICS countries such as scientific cooperation, education & skills, AI Governance, news & events.
5. Conducting an AI Hackathon, that will facilitate the search for, development and support of talented and promising specialists in the creation

of products and services using AI technologies, as well as increase the level of support for the BRICS market in terms of both technology and qualified personnel.

6. Sharing experience on educational programs on AI.

Benefits:

Bridging the digital divide & skill gaps in the BRICS will lead to increased economic growth. This will help:

- to create more jobs in these countries and improve the standard of living for their citizens as access;
- to digital technology allows people to access information, learn and work remotely.

III. SCIENTIFIC COOPERATION

Context:

Humanity continues to face complex challenges in the field of emerging technologies that governments and businesses cannot solve alone without the scientific community. Science plays a crucial role in addressing these challenges, but it needs to be more accessible and inclusive to be effective. Transparency is essential for science to be truly effective, as it allows for better collaboration and sharing of knowledge. By making science more transparent, we can accelerate research and development for the benefit of everyone in BRICS.

Recommendation

7. Launching a joint global R&D project in the field of digital technologies.

8. Conducting an international conference on computational optimization. Computational optimization is one of the most exciting areas for AI-driven companies in BRICS countries. The conference will cover both practical (e.g., Edge Computing, GPU) and theoretical aspects of optimizing and applying AI techniques.

Benefits:

Scientific cooperation in the field of AI allows the BRICS countries to develop and implement new technologies more quickly and efficiently and accelerates the innovation process in BRICS countries as collaboration allows for the quick discovery of solutions to complex problems and the testing of new ideas. Such joint efforts will make it possible to create better products and services.

IV. PROMOTING TRADE AND COLLABORATION, INCLUSIVE OF SMALL, MEDIUM AND MICRO-ENTERPRISE

Recommendation

9. Establishing a forum and platform where businesses can showcase their products and solutions for collaboration and trade. Such a platform would facilitate interaction in conducting international transactions, including sending and receiving commercial offers, analyzing them, concluding contracts, and negotiating terms that are more complex than those in the domestic market. Additionally, the number of potential partners would increase significantly, as international markets are typically larger in size.

Benefits:

Ensuring the possibility of forming and optimizing trade chains by searching and selecting counterparties within and between countries, as well as finding links between two or more participants. Such effective work in foreign markets has the potential to increase business turnover and income by an order of magnitude for each country. Moreover, it provides simplification of communication between contractors and the overall increase in business productivity and improved accessibility of digital economy products to the public.

V. DEEPENING DIGITAL TRUST

Context:

Digital trust is a term that refers to the level of confidence people have in digital technologies and AI. It involves believing that the data and information provided by these systems are reliable, accurate, and safe.

Recommendation

10. Exchanging of regulatory experience, which includes analysis of best practices for comfortable AI and digital economy regulation and assessment of its impact on AI development in the country and identification of regulatory aspects that hinder the development of AI in a particular region.

11. Exchanging of information on initiatives being taken in each country to make AI transparent, fair, secure, accessible and responsible.

Benefits:

Deepening digital trust can enhance data security and protection. When people have more

trust in digital systems, they are more likely to use them in a safe and responsible manner. This can help prevent problems such as data breaches and cyberattacks. Moreover, it will play a crucial role in the development of the BRICS digital economy. When people feel confident and comfortable using digital technologies, they are more willing to participate in various online activities, including online transactions and financial activities. This, in turn, drives the growth of e-commerce and other industries related to digital technologies.

1.3. ENERGY, GREEN ECONOMY AND CLIMATE

The key objectives of the working group is to promote mutual cooperation, growth and sustainable development amongst the BRICS nations in the energy, green economy and climate sectors, through targeted outcomes of energy security, universal access, transition, research technology and innovation. During the 2024 Russia Chapter, the WG changed its name and extended its mandate to climate mitigation and adaptation. Further, the working group continued to prioritise its 4 Recommendations carried from 2023 and added 2 additional Initiatives.

Recommendation

1. BRICS ENERGY SKILLS ATLAS

Context:

Building on the previously adopted recommendation on developing BRICS Energy Skills Atlas, and in consideration of the valuable work undertaken in South Africa and the insightful documents shared by India regarding the Energy Skills Roadmap in India, with a 2030 and 2047 perspective, as well as the commendable efforts of the BRICS Energy Research Cooperation Platform in addressing BRICS Energy Transitions Skills Report and approved by the ministers of energy of the BRICS countries (Brazil, Russia, India, China and South Africa), It may be beneficial to combine the efforts of the BRICS Business Council Working Group on Energy, Green Economy and Climate and the BRICS Energy Research Cooperation Platform to jointly develop a comprehensive BRICS Energy Skills Atlas. This work could involve participation

from both academia and business with the objective to consolidate the required skills and identify skills gaps amongst BRICS countries taking into account recent BRICS expansion, to study current situation on new jobs in high impact areas such as distributed renewable energy, green hydrogen, storage solutions, green construction, biofuels and the circular economy, and to explore the development of a set of standardized jobs, training approaches and «energy transition qualifications» for BRICS countries in areas of common interest. This will potentially create new opportunities for cross-country movement in job roles for all BRICS countries.

Benefits:

Enhancing cooperation among different BRICS institutes to achieve best possible results in preparing studies and researches.

2. BRICS JUST ENERGY TRANSITION CENTRE OF EXCELLENCE AND BRICS ENERGY RESEARCH DIRECTORY

Context:

As part of the continuation of the establishment of the Just Energy Transition Centre of Excellence (JET CoE), it is proposed to update the BRICS Energy Research Directory adopted in 2021 under the Indian BRICS Presidency. The Directory presents itself a compilation of entities (research institutes, academic institutions, businesses, etc.) within the BRICS countries engaged in BRICS Energy Research Cooperation Platform. The Directory was formed with the participation of the Bureau of Energy Efficiency and the Indian Council for Research on International Economic Relations, and with contributions from the Ministry of Mines and Energy of the Federative Republic of Brazil, the Russian Energy Agency, Ministry of Energy of the Russian Federation, all energy officials from the National Energy Administration of China, and the Ministry of Mineral Resources and Energy of the Republic of South Africa.

In order to achieve full interaction and cooperation between BRICS experts from both academia and business, the participation of the Working group will bring the best practical experience in preparing research on low-carbon and other modern energy trends as well as other studies, such as energy transition.

Benefits:

Will enable the continuation of follow-up work to the establishment of the JET CoE, based on the experience gained from close cooperation with the BRICS Energy Research Directory.

3. BRICS CLEAN ENERGY FUND

To advance the multi-year program for establishing BRICS Clean Energy Fund (BCEF) per previously adopted recommendation with the main purpose to support the development and implementation of clean energy projects across the BRICS nations and other regions of common interest of the BRICS members the next step would be to align concept notes, roadmaps and other corresponding materials with the requirements of the BRICS New Development Bank (NDB) for the NDB to internally process all the documents. It will be followed-up by meetings jointly hosted by the NDB and the Working Group to discuss and explore the best solutions in creating a BCEF architecture within NDB.

The focus areas of the BCEF remain unchanged: renewable energy sources such as solar, wind, hydroelectric, waste-to-energy, biofuels, geothermal, and gas (including green hydrogen). As well as the exploration of decentralized distributed energy and energy storage, including critical minerals and rare earths (processing/enrichment).

Benefits:

To continue the work with stakeholders to achieve the ultimate goal of establishing the BRICS Clean Energy Fund.

4. BRICS ENERGY COOPERATION FORUM

The Working Group reaffirms the special role of the BRICS Energy Cooperation Forum as one of the key mechanisms to strengthen cooperation and exchange of experiences, a platform to jointly share and explore the best modern solutions in the energy sector, including those for reducing the carbon footprint in the energy sector, while maintaining a just energy transition. The Forum will remain the most appropriate venue for energy-related dialogue both between companies and state-business discussions and a place to search for potential partners and colleagues within BRICS.

Benefits: Maintaining a key venue for BRICS energy business community.

INITIATIVES

1. BRICS+ Fairy Tales about Renewable Energy

Context:

The Working Group supports the initiative of the Russian Chapter to jointly prepare a thematic booklet 'BRICS+ Tales of Renewable Energy' with the Russian Renewable Energy Development Association leading the project. BRICS is an influential group of countries with significant energy resources and huge potential for the development of renewable energy technologies. Cooperation between the BRICS members in the field of low carbon energy is of strategic importance. The booklet collaborative project aims to demonstrate the unity and cohesion, as well as the significant joint potential to reduce greenhouse gas emissions of the BRICS countries. Every nation has a long history connected with all Earth's natural elements: sun, wind, water and earth, intertwined and traditionally explained through tales. The thematic booklet will be created in the spirit of the traditions of BRICS folktales about renewable energy, while being accompanied by analytical data.

Benefits:

The project will be simultaneously interesting for a common reader to learn more about its nation's history and for experts to get the latest data and findings in renewables.

2. Initiative on Development a Hub infrastructure for the Integration of the National Voluntary Carbon Markets

Context:

Carbon markets already exist or are in an advanced stage of development in BRICS countries. The markets are developing independently. To ensure convergence in the future, the project proposes the establishment of a voluntary organizational and IT infrastructure for a Hub with the objective of integrating the voluntary carbon markets of BRICS countries, with the intention of enhancing their collective climate action efforts. The Hub would facilitate the trading of voluntary carbon offsets among member nations, utilizing distributed ledger technologies to enhance transparency, decentralized governance and efficiency. The proposal identifies several benefits for BRICS countries, including cost-effective emission reductions, optimized resource allocation and improved market liquidity. Furthermore, the Hub would support international cooperation under the Paris Agreement, fostering collaboration, thereby positioning BRICS as leaders in global climate action.

Benefits:

Increase transparency and cooperation in voluntary carbon markets and position BRICS countries as global leaders in climate action.

1.4. FINANCIAL SERVICES

The financial services industry financial sector encompasses many types of businesses, from investments to taxes, accounting, insurance, banking, and more. It is a key component of economic development and growth. Better cooperation within the BRICS+ economies in this industry would be beneficial for all member countries. Thus, for the 2024 calendar year, the BRICS Business Council Financial Services Working Group focused on various initiatives to advance cooperation between the various BRICS member countries.

Focus areas**BRICS INVESTMENTS AND SME FINANCING**

It is necessary to leverage the BRICS+ countries' scientific and investment potential for further progress in high tech and AI, industrial production, infrastructure and transport, modern healthcare, financial sector, climate change projects. SMEs are important to job creation and have a high potential contribution to economic development. However, access to finance hinders the sustainable development of BRICS+ nations, as well as the growth of SMEs in our countries. This work-stream proposes discussion of a BRICS investment platform in strategic areas along with creation of alternative and innovative options for SMEs to access finance within the various BRICS countries, including a BRICS SME Fund, the SME Intellectual Property Pledge Financing (IPPF) initiative, crowd-investment mechanisms, usage of various SME Business Match-Making Platforms to make the most of BRICS+ value chains.

INSURANCE AND REINSURANCE

The deepening and the development of integration processes within the BRICS+ require protection against risks through insurance. This Task Force focuses on the forms of BRICS+ insurance and reinsurance cooperation.

ESG & GREEN FINANCING

– Transition finance development is one of the strategic initiatives for carbon-intensive

industries, which will require finance to enable low carbon transitions and green growth. Transition finance, aimed at directing cash flows into decarbonization projects and/or activities within high carbon intensive sectors, may become a significant tool for driving modernization of such industries through low carbon technologies.

– Establishment of a day-to-day collaboration platform needed for the implementation of the ESG & Green Financing Task Force initiatives that require a significant amount of expert and methodological work. Having a platform dedicated to solving a significant number of issues regarding various aspects of sustainable development, including but not limited to transition finance, green finance, carbon markets, impact management etc. will greatly advance the achievement of SDGs in the BRICS countries.

– The completion of the two documents initiated by the Chinese Chapter: "Recommendations on BRICS ESG Assessment Methodology Framework by BRICS Business Council" and "Research Report on Green Finance Cooperation in BRICS countries".

BRICS+ PAYMENTS & FINTECH

Considering the prevailing global economic circumstances, according to the Bank for International Settlements, all countries are currently facing challenges with cross-border payments. The Task Force focuses on developing principles for innovative financial payment, enhancing security and reducing the costs of international transactions and discussing the feasibility of utilizing traditional and innovative financial services, including BRICS Pay, BRICS Decentralized Cross-border Messaging System (DCMS), BRICS UNIT, BRICS+ Interstate Digital Settlement System for securities for the BRICS financial market (aka BRICS CLEAR), all of which are non-binding to members and under the principle of commercial voluntariness within BRICS countries. In the long run, this initiative will contribute to the economic resilience and prosperity of our nations and further strengthen cooperation among BRICS+ countries and could foster the growth of our economies.

ALLIANCE OF BRICS CREDIT RATING AGENCIES

Discussions have been held in this area regarding various topics throughout the year. The Russian

Chapter presented proposals on possible harmonization of the methodologies of the participating CRAs in order to facilitate mutual recognition of credit ratings within BRICS. The advisability of creating an institution endowed with the function of providing independent assessments of the quality of institutions, or assigning this functionality to existing BRICS bodies in order to form unbiased assessments of the credit risk of BRICS member states was noted. It is vital to form independent assessments of the quality of institutions.

Issues with consensus

BRICS INVESTMENTS AND SME FINANCING

Goals

1. Establish a BRICS SME Fund and continue development of the SME Intellectual Property Pledge Financing (IPPF) initiative, both proposals aimed to increase access to finance for SMEs.
2. Broaden SME Crowd-Investment Digital Platform Practice (already launched in Russia and India), aimed to increase equity finance for SMEs.
3. Leverage different SME Business Match-Making Platforms within BRICS+ to make the most of BRICS+ value chains and cross-border cooperation.

Context:

1. For the BRICS countries' sustainable and independent development, it is necessary to use the competitive advantages of each of the BRICS+ countries, as well as to leverage the scientific and investment potential. The existing BRICS supranational development financial institution (NDB) is more focused on debt financing. Private investors in BRICS countries cannot fully satisfy the need for significant equity investments required for realization of long-term investment projects focused on sustainable development of BRICS nations. Therefore, the Russian Chapter presented for discussion the concept of the BRICS Investment Platform. Here are the main principles that were proposed for discussion and are under discussion in context of the suggested Platform

- Participation in the proposed platform is on a voluntary basis.
- Platform's founders and responsible organizations: To be identified jointly.
- Key strategic matters of the Platform, including target sectors for investments approval of

investment projects shall be decided jointly by the participating entities.

2. Most of the BRICS+ countries lack sufficient access to finance for SMEs. For that matter, introduction of alternative and innovative options for SMEs to access finance is needed within the BRICS+ countries. Under Russia's Chairship in 2020, the group focused discussion on the development of common valuation methodology on SME IPPF for financing and IP transfer among BRICS countries and to set up an SME Performance Database. Under India's Chairship in 2021, the taskforce introduced laws, regulations and practices of IPPF as SME financing source, with the hope to enlarge experience exchange in the field of intangible asset pledge financing. The Russian Chapter presented a methodology for evaluating intellectual property (IP) for discussion and asked each BRICS country to form a list of pilot projects for consideration by the NDB for financing with the use of the proposed IP evaluation methodology. In 2023, the South African Chapter proposed to create a BRICS SME Fund, to benefit all the BRICS+ countries and help, after being presented to and approved by the NDB, provide financial support for SMEs, arranging their access to finance, including the SME IPPF Initiative, whereby SMEs can use IP as security for funding, thus further strengthening access to finance for new ideas.

3. Under Russia's Chairship in 2024, knowledge sharing on different SME Crowd-Investment Digital Platform Practices is under way. It is a noteworthy opportunity for SMEs to get financial resources for their development, especially for high-tech SMEs, and attract long-term equity finance through crowd-investment in order to increase the level of technological readiness of their products and capitalize on IP assets.

4. Under China's Chairship in 2022, the BRICS Enterprises Cooperation Platform was presented by China Chapter to boost cross-border trade, evaluate the performance and risk profile for each individual SME borrower, and provide enterprises with integrated services for commerce, trade, customs and logistics in the future.

Ways Forward

1. The interested National Chapters should identify and engage financial institutions and large non-financial organizations ready to participate in a detailed discussion on the initiative to create a BRICS Investment Platform.

The interested institutions to engage in detailed discussions on areas such as Platform's investment size, governance structure, investment strategy, target sectors for investments, etc.

2. National Chapters should continue engagement with the NDB on the establishment of a BRICS SME Fund.

Develop the SME IPPF initiative in the BRICS countries to expand sources of finance for BRICS SMEs involved in IP creation, thus encouraging SMEs to actively invest in R&D projects to promote innovation within BRICS and increase employment in the BRICS countries.

3. National Chapters should continue discussion on the use of crowd-investment mechanism for promising SMEs.

4. National Chapters should continue to promote different SME Business Match-Making Platforms within BRICS+ to make the most of BRICS+ value chains and cross-border cooperation.

Recommendations for BRICS Governments

- Consider offering support to SMEs in BRICS countries by leveraging resources of the NDB through setting up of a BRICS SME Fund.
- Support discussions of the IP assessment methodology for pledge financing (IPPF) and consider, if SMEs can be supported through the NDB using the IPPF.

Issue under discussion

- Evaluate feasibility of a supranational BRICS investment platform with a mandate for equity financing of investment projects in BRICS nations.

INSURANCE AND REINSURANCE

Goals

1. Refine with further deliberations on the creation of BRICS Reinsurance Capacity under the principle of commercial voluntariness.
2. Under the principle of commercial voluntariness, organise a platform for exchanging knowledge and experience of BRICS+ insurance and reinsurance markets, which would also be of help on accelerating the creation of BRICS+ Reinsurance Capacity and will provide further support to the Capacity itself, BRICS+ insurance and reinsurance markets participants, regulators and supervisors.

Tasks:

- Design and implementation of a support mechanism of reinsurance protection & reimbursement and continuity of reinsurance coverage and business operations of insureds under the principle of commercial voluntariness.
- Development of common competencies and expertise of risks landscape and (re)insurance market in each of BRICS+ countries.

Benefits:

- Promoting BRICS + insurance and reinsurance markets in order to increase reinsurance capacity available to insurers from BRICS+ and other countries.
- Enhancing the insurance markets within BRICS+ countries through reinsurance operations, comprehensive risk assessment, consulting and other supportive activities, while encouraging the exchange of expertise across various sectors.
- Achieving growth in business and financial results by attracting clients from other markets and leveraging the collective strengths of BRICS+ countries.

Context:

In 2011 South Africa proposed to create Trade and Development Risk Pool. At the following meeting of the BRICS Reinsurance Project Study Group represented by Ministries of Finance & Treasuries, insurance supervisors, state-owned reinsurance companies, insurance associations and private business in 2013 in South Africa the delegates from the All-Russian Insurance Association (ARIA) offered the concept of BRICS Reinsurance Special Purpose Vehicle (SPV). In September 2017, a Memorandum of Understanding Regarding Insurance and Reinsurance Collaboration in Support of Mutual Investment and Business Cooperation in BRICS Countries was signed. In 2019-2020 India proposed the initiatives for the BRICS Reinsurance Pool and the BRICS Insurance Connect. In 2023 South Africa proposed to create the Reinsurance Gateway for African continent and Russia suggested to re-animate the proposal to establish the BRICS Reinsurance Company as an interstate legal entity.

In 2024 Task Force has considered two forms of Reinsurance Capacity:

1. BRICS Reinsurance Capacity as an interstate legal entity (hereinafter named as the 'BRICS

Reinsurance Company', the 'Company') established by states/governments as main shareholders with the opportunity for private and governmental insurance companies from BRICS+ market to participate in Company's capital. The BRICS Reinsurance Company will provide significant capacity and characterise by high operational and economic (effect of scale) efficiency.

2. BRICS Reinsurance pool as a gathering mechanism of existing insurance and reinsurance companies providing capacity on a subscription basis.

The Reinsurance Company and the Pool shall not be considered to be conflicting alternatives, they will be mutually supportive elements of BRICS + cooperation.

Either the Reinsurance Company or Pool might start with the lines of business that are of interest for all of BRICS+ countries under the principle of commercial voluntariness.

Above mentioned issues are to be continue to be discussed. At the same time the Task Force reached consensus on following issues:

1. Collaboration, sharing experiences and knowledge of insurance and reinsurance among the BRICS countries.

2. Making further discussion on the possibility of and approach to establishing BRICS+ Reinsurance Company (including Roadmap, draft of the Interstate Treaty of BRICS+ countries, Company's Articles of Association (Incorporation), Business Plan draft) under the principle of commercial voluntariness.

Ways Forward

1. Continue intensive collaboration between BRICS+ insurance and reinsurance business sharing experiences and knowledge.

2. Work in progress on the development of BRICS+ Reinsurance Capacity.

Recommendations for BRICS Governments

Decide on principal support of the initiative to research the possibility of establishing BRICS Reinsurance Capacity and it's institutional form and for BRICS Business Council under the principle of commercial voluntariness to further discuss the development of the concept.

ESG & GREEN FINANCING

Goals

- To develop and promote Transition Finance

Framework to boost the short-term efforts towards rapid decarbonization in BRICS countries.

- To establish BRICS Sustainable Development Network representing an international platform for regular dialogue and cooperation between business and expert communities of the BRICS countries in the area of sustainable development.

Context:

- The latest IPCC report calls for increased urgency of immediate reduction in GHG emissions to meet the goals of the Paris agreement. The substantial boost to immediate reductions may be achieved through transition investments in hard-to-abate sectors.

During the year of Russian Chairmanship in the BRICS the Transition Finance Framework has been developed (see Annex 1).

The document covers the goals for the development of transition finance in the BRICS countries, outlines the principles for investments to be labelled as transition finance, states the necessity to develop a set of tools aimed to facilitate investments in transition projects, activities and work on the infrastructure to foster the cross-border investment in transition projects and activities.

- The BRICS countries currently do not have a shared platform for sustainable development and green finance cooperation. However, the initiative has been discussed since 2019. It was included in the Recommendation №38 of 2021 of the Final BRICS Business Council Annual Report as well as in the "Issues with consensus" of 2021 and "Issues under consideration" of 2020.

During the year of the Russian Chairmanship the Agreement on the establishment of the Network and the Statement of Commitment were developed (see Annex 2). The Network is aimed to be a center of expertise and will strengthen the cooperation of the BRICS countries business and expert communities in the field of promoting sustainable development.

- The ESG Assessment Methodology Framework was conducted based on the study of ESG policies and current ESG markets in BRICS countries. It has taken into consideration a comprehensive list of factors such as the development characteristics of the national economy, sustainable development demands for the ecological environment, well-being and community development, climate risk

analysis, the carbon neutrality goal in nationally determined contributions (“NDCs”), technology-driven innovation, and institutional and social innovation. The ESG methodology study was composed on four levels, namely countries, industries, enterprises, and projects.

- The Research Report on Green Finance Cooperation in BRICS countries has summarized and presented the policy background, financial markets and products, and bilateral and multilateral international cooperation in the field of green finance in each BRICS country. The report has identified corresponding challenges and put forward suggestions on facilitating green finance cooperation among BRICS countries.

Ways Forward

- Continue the work on development of and promotion of transition finance mechanisms in BRICS countries as an important tool in providing financing for decarbonization activities;
- Continue the work on the development of common transition projects criteria and BRICS transition financial instruments;
- Identify key areas of work of the BRICS Sustainable Development Network for the next year in line with the issues discussed within BRICS Business Council;
- Expand the cooperation with business and/or expert communities in the field of sustainable development and just transition and their invitation to join the Network.

Recommendations for BRICS Governments

- Recognize and support the continued cooperation on development of BRICS Transition Finance Framework initiated in the BRICS Business Council (see Annex 1);
- Consider the possibility of the NDB to playing an active role in supporting transition finance projects as a part of financing aimed at achieving climate goals, given the important role of the NDB in promoting sustainable development of its member countries.
- Support the establishment of the BRICS Sustainable Development Network (see Annex 2);
- Provide assistance in invitation of organizations and other entities representing business and/or expert communities, such as the largest companies, industrial Networks, financial

institutions and key expert organizations of the main sectors of the economy who are the key market players in the field of sustainable development and transition finance to join the Network.

PAYMENTS AND FINTECH

Goals

Based on the principle of commercial voluntariness, it explores the feasibility of related work among BRICS countries on a non-binding basis.

1. Create and utilize decentralized payment instruments such as BRICS Pay to foster the development of tourism, business, and international trade among BRICS+ countries. The implementation of innovative financial solutions such as BRICS Pay will complement the capabilities of existing payment systems and methods, enhancing security, accelerating, and reducing the costs of international transactions.
2. Evaluate the feasibility of the BRICS Decentralized Cross-border Messaging System to enhance financial collaboration and streamline payment processes among BRICS+ nations. This system aims to improve the efficiency of cross-border transactions and provide a secure platform for financial messaging, contributing to the overall growth of international trade and investment within BRICS countries.
3. The building of an independent modern international systems of cross-border settlements and a high-tech financial infrastructure (such as BRICS CLEAR) will contribute to the development of domestic capital markets by stimulating the growth and increasing the cross-border financing between the participating countries. This initiative will serve as a foundation for investment and financial projects involving a broader pool of participants from BRICS+ countries.

Context:

In 2018, during the Chairmanship of the Republic of South Africa's, the initiative to create a new international payment system called «BRICS Pay» (formerly «NIPS») was placed on the agenda to simplify payments for travelers and expatriates from BRICS+ countries. The Brazilian Declaration and the Economic Development Strategy until 2025 emphasize the need to deepen investment relations among BRICS member countries.

During the Chairmanship of the Russian Federation in 2020, the concept of the BRICS Pay payment service was explored, focusing on its commercial implementation for BRICS+ countries. Under India's Chairmanship in 2021, a special task force was established to develop a common payment service, BRICS Pay, for BRICS nations. The Russian Federation and Republic of India conducted a technical assessment for a bilateral pilot project, resulting in the creation of a mobile payment gateway that utilizes QR payments and supports the UPI platform format, owned by the National Payments Corporation of India (NPCI).

In 2022, during the Chairmanship of the People's Republic of China, the feasibility of utilizing traditional and innovative payment services in multilateral and bilateral formats was examined in favor of seamless integration of local payment platforms.

In 2023, during the Republic of South Africa's presidency, the XV BRICS Summit Johannesburg Declaration II identified the need to use platforms to further strengthen cooperation among BRICS countries and to continue dialogue on trade facilitation and investment flows.

The architecture of the financial market is rapidly changing with the introduction of innovative technologies. Distributed ledger technology is becoming a key driver for the development of the securities market and other segments of the financial market, where each participant becomes equal and independent of external political conditions and preferences.

Ways Forward

In view of the earlier deliberations, achieving the goals set forth by the leaders of BRICS nations, as reflected in previous annual reports and the BRICS Economic Partnership Strategy until 2025, involves the implementation of the BRICS Pay entrepreneurial payment system, the BRICS Decentralized Cross-border Messaging System and the BRICS CLEAR platform on the principle of commercial voluntariness.

Practical pilot testing of BRICS Pay, BRICS DCMS, and BRICS CLEAR could be conducted among BRICS+ countries, as well as any other interested nations. This would help assess the feasibility and effectiveness of these systems in real-world scenarios.

A dialogue could be initiated regarding the regulatory integration of BRICS CLEAR into the new architecture of the financial markets of participating countries. This may include

identifying and eliminating functional and regulatory barriers to the implementation of BRICS CLEAR. Engaging the respective national authorities and regulators in such discussions would help streamline the adoption process and ensure compatibility with existing frameworks.

Following limited pilot testing and identification of regulatory barriers, further development of these proposals can require detailed deliberations amongst and guidance from the respective national authorities and regulators.

Discussions could also be initiated with the NDB and feedback sought on the role it could play to support financial market infrastructure projects related to BRICS Pay, BRICS DCMS, and BRICS CLEAR. The NDB's expertise and resources could be leveraged to develop and enhance these international payment and financial market initiatives. By working closely with the NDB, the BRICS nations can accelerate the implementation and maximize the impact of these key projects.

Issues under Discussion:

- Evaluate the feasibility of the BRICS Pay entrepreneurial project based on the principles of the international payment system and the BRICS Decentralized Cross-border Messaging System (DCMS), both founded on the principle of commercial voluntariness in aim to evaluate the feasibility.
- Evaluate the feasibility of the BRICS CLEAR (Digital Settlement System) in order to provide an in-depth feasibility study of utilizing traditional and innovative financial services and its further research and development based on the principle of commercial voluntariness.

Issues under Discussion

ESG & GREEN FINANCING

Goal

- Develop common ESG/Climate change index/ETF:
- the index/ETF can be used as a benchmark for relevant investment funds;
- to create an innovative, practical and convenient investment product;
- to stimulate investments for global sustainable development, global warming and climate change reduction and GHG emission reduction projects;

- to stimulate and enhance corporate business actions towards reduction of GHG emissions;
- to facilitate cross-border responsible investments within the BRICS member countries and beyond.

Context:

Strong ESG and decarbonization practices can mitigate risks and maximize opportunities, while weak practices expose firms to reputational and regulatory risks affecting their financial success.

Institutional investors are facing growing pressure to consider ESG and climate change in their decisions. Thus, measuring and managing ESG and climate change practices has become vital for portfolio managers' fiduciary duties.

The initiative is suggested following the FSIWG meetings and discussions in Johannesburg in August 2023 and Recommendations 6.2.6.3.4 and 6.2.7.2 of the BRICS BC Annual Report 2022/2023 as well as meetings with BRICS representatives at COP 28 in Dubai and analysis of the BRICS countries best practices in mobilizing responsible investments.

Ways Forward

At national and regional levels within BRICS countries, various ESG/ climate change investment funds, sustainable bonds and sustainable structures have been developed and are currently being deployed and are in various stages.

A baseline assessment report on the status including current challenges and opportunities should be the focus for BRICS countries. On this basis, a BRICS focused intervention (with clear incentives and spelled out additionality) within these financial instruments can then be proposed in the agenda for next financial year.

Issues under Discussion:

- Facilitate the distribution of the "Recommendations on BRICS ESG Assessment Methodology Framework by BRICS Business Council" and "Research Report on Green Finance Cooperation in BRICS countries" to stakeholders and state bodies in BRICS countries responsible for sustainable agenda

PAYMENTS AND FINTECH

Goals

Explore the feasibility of the BRICS UNIT as of unit of account (reference currency) discussion

amongst interested parties and its white paper to support economic activities and facilitate smoother cross-border transactions amongst member countries in national currencies. The aim of this initiative is to create a standardized unit of account that can be used for trade and investment, promoting economic integration and cooperation within the BRICS+ framework.

Context:

In 2023, the Republic of South Africa proposed exploring the creation of a common multiple bridge for BRICS central bank digital currencies (CBDCs) and the potential launch of a stablecoin for BRICS countries to facilitate direct payments, financial disintermediation, and best practices in remittances.

Ways Forward

Continuing our Task Force work on the project for the issuance of the BRICS stablecoin, which our colleagues from the Republic of South Africa raised in 2023 and all participants supported, we have developed the concept of BRICS UNIT.

Evaluate the proposed BRICS UNIT concept by experts within the BRICS Business Council and the regulators of BRICS countries that are supportive of this concept and within the NDB.

ALLIANCE OF CREDIT RATING AGENCIES

In this area, the development of a document defining the general goals and principles of the Alliance of BRICS CRAs, as well as the procedure for membership in the Alliance of BRICS CRAs, is under discussion. The issue of forming a long-term roadmap for the activities of the Alliance of BRICS CRAs aimed at achieving the agreed goals and principles is also under discussion.

1.5. INFRASTRUCTURE

TRANSPORT AND LOGISTICS

Introduction

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

Large-scale integration initiatives were launched on the Eurasian territory, active work on promotion of infrastructure projects on the territory of Africa is underway and prospects of activating such processes in Latin America are under consideration.

The joining of new member countries to BRICS allows for an expanding of the horizons of cooperation in the field of infrastructure.

This joint work is vitally important for the 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.

According to estimates nominal total GDP of BRICS is equal to the GDP of the US. And real GDP of the group which reached almost 40% of the global GDP exceeds that G7 economies produce together. According to experts, hereon from year to year this difference will become even more in favor of BRICS.

Innovations in transport create conditions for further increasing movement speeds and improving transportation reliability and decarbonization. The activities of the BRICS countries in this area are in line with the UN Sustainable Development Goals.

During the last decade, while global trade has been increasing by 3% per annum, the trade of BRICS countries has been growing at almost 11% annually.

In view of extending trade volumes between the BRICS countries the importance of enhancing logistics connectivity and development of international transport routes, connecting our countries with a safe and efficient transport infrastructure, has increased dramatically.

In tandem with trade growth, intra-BRICS investment has increased steadily. Total foreign direct investment between the BRICS countries grew from 27 billion USD in 2010 to 167 billion USD in 2020, almost a six-fold increase[§]. Much of this investment flowed to important sectors, including infrastructure, energy, technology and manufacturing. Meanwhile, it is reasonable to highlight potential for further growth.

In this regard in order to consolidate issues of the dedicated development institutions, including New Development Bank (NDB), on prior areas of improvement of infrastructure and logistics, the Business Council has been conducting work on identification of “bottlenecks”, which elimination could enable to efficiently increase logistics connectivity between the countries of the Group.

Activities on identifying the logistics barriers for development of connectivity within the BRICS

and the ways to overcome them became one of the key tasks of the Sub-Group for Transport and Logistics which was established in 2024. The Council’s participants acknowledge that the Transport and Logistics are the backbone of increased trade between BRICS partner countries. In view of the results achieved by the Sub-Group the national chapters of BRICS Business Council would further prioritize Transport and Logistics as a primary focus of development.

The Sub-Group formed a Guide for the BRICS transport Barriers the main purpose of which is to indicate key parameters and barriers for development of logistics connectivity among BRICS countries and to choose the ways to settle them (by means of development of all modes of transport: deep-sea, air, automobile, and railway transport).

Railways, compared to other modes of transport, are at an advantage in ecological and energy efficiency, security and carrying capacity. Additional synergetic effects are achieved due to interaction of railways with other modes of transport.

Today, the railways of BRICS countries provide nearly 64% of global railway freight turnover (7.3 trillion tonne-kilometers in absolute numbers). Each railway in BRICS is unique, and exchange of our best practices appears to be a good opportunity to realize synergetic effects. The same is true for other modes of transport.

Implementation of infrastructure projects, including those in the railway field, as well as development of port and airport infrastructure, waterways, etc. contributes to an increase of population mobility, and expansion of opportunities for transportation of goods and services, as well as achievement of integration objectives. At the same time, implementation of infrastructure projects serves as a catalyst for economic growth.

Additionally, it is worth noting the importance of constructing and further developing a new communication infrastructure along the North-South International Transport Corridor (ITC), involving the laying of a new underwater cable system that will connect countries of the corridor with a new telecommunications route.

A backbone network of high-speed highways in the North – South and West – East directions is also being created.

[§]UNCTAD BRICS Investment Report (page 10).

Enhancing logistics connectivity and infrastructure development of the BRICS countries

Context:

Logistics connectivity is one of the key conditions for overall development, both social and economic. Optimal solutions in the field of transport development contribute to better inter and intra-BRICS logistics connectivity.

These proposals were reflected in the Declaration made at the first Meeting of the BRICS Ministers of Transport (on June 6th in St Petersburg). The document includes statements on the main approaches to the creation of a sustainable platform for exchanging best practices, development of technical cooperation and promotion of joint projects and also highlights the commitment of all countries to respect the sovereignty and territorial integrity of all member states while carrying out transport cooperation.

Enhancement of BRICS supply chain connectivity is provided by debottlenecking of regional supply chains by using available transport capacities.

Barriers

Identified barriers to development of the BRICS Transport routes and infrastructure classified as physical and non-physical.

To the list most critical physical barriers belong:

- 1) different railway gauge on the borders of two states or railway systems;
- 2) different systems for centralized traffic control and telecommunications on the borders of various states or railway systems;
- 3) absence of infrastructure elements for a common system for electronic document flow among transport companies managing cross-border operations when transporting international cargoes;
- 4) limited capacity of selected sections, stations, border-crossings and terminal infrastructure;
- 5) lack of capacity of port infrastructure.
- 6) increasing influence of climate changes on the work of transport and infrastructure and related challenges, as well as risks of unfavorable weather conditions for transport activities.

The most critical non-physical barriers include:

- 1) policy and regulatory (bureaucratic barriers);
- 2) financing constraints (costs of transportation and infrastructure projects in view of limited public funding and inadequate private sector participation);
- 3) lack of skilled labor;
- 4) lack of information on routes' capacities availabilities as well non used spaces, wagons, containers by itinerary or by transport route;
- 5) necessity to improve the legal framework for carrying international transportation between the BRICS countries;
- 6) necessity to provide a smooth international payments and transactions with elimination of appropriate barriers, including these from the third parties;
- 7) necessity to form a common informational platform for exchange of best practices;
- 8) necessity to ensure coordinated approaches to the development and harmonization of information (electronic) interaction among participants in cross-border cargo transportation based on BRICS applicable standards.

ACKNOWLEDGMENTS:

Taking into account:

- a reasonable necessity for further exchange of best practices in the field of infrastructure development (possible areas of cooperation could cover development and implementation of project solutions, discussion of funding mechanisms, decarbonisation of transport – creating solutions for CO2 neutrality, development of railways and highways and inland waterways, etc.);
- importance of further informational exchange in the transport sphere to increase logistics efficiency and reduce transport costs and which may contribute to overcoming the identified barriers, as well as in the areas for innovative development contributing to the effective implementation of infrastructure projects;
- necessity to efficiently use opportunities appeared in regard to expansion of BRICS, including development of connections with the new BRICS countries and carefully study possibilities for freight rail and logistics expansion across Middle East (for connecting the UAE with the eastern side with India through

maritime and then towards China and Russia by rail, and from the west side the connection will run from UAE to Jordan and then to Egypt and the rest of Africa).

Recommendations:

1. To support regular updating of the information on barriers for logistics connectivity which is included into the Guide for BRICS Transport Barriers, and possible ways to settle them. To discuss and promote convergence of approaches to develop efficient and secure international transport corridors for BRICS economic growth.

As an input for this discussion, BRICS Business Council shall provide information on barriers for logistics connectivity and possible ways to settle them.

To continue joint work on transport infrastructure projects in shipping, railways, highways etc.

2. To highlight an importance of informational interaction and experience exchange between the BRICS countries in the field of infrastructure, transport and logistics.

2.1 To highlight the concept of the Electronic Communication Platform BRICS Transport.com and consider possible ways for improving coordination of the activities on development of joint projects in BRICS.

2.2 To support the development of communication infrastructure along the North-South transport corridor, including the laying of a new underwater cable system that will connect the countries of the corridor with each other by a new telecommunications route and increase the stability of information exchange.

3. Acknowledging a possibility to promote the growth of inter and intra-BRICS maritime connectivity:

- to contribute to development of efficient Protection & Indemnity type insurance for ships
- to recommend to the New Development Bank (NDB), along with other Development Financing Institutions (DFI) to create a dedicated Maritime Development Fund to expand and sustain the shipping fleets of BRICS' countries.

4. Acknowledging a possibility of further human development, to highlight the importance of the development of joint educational and training programs in the field of infrastructure, and organization of youth programs.

To note as reasonable conduct online master-

classes for exchanging best practices and information on the issues of transport development in the BRICS countries.

To recommend to continue systematic work on development of the BRICS Transport Academy in order to unlock the human potential of the countries of the Group.

5. In order to support infrastructure development and in view of capital intensity of the projects, whose implementation is valuable for overcoming the identified barriers:

- to continue work on creating favorable conditions for the project activities in this area and development of the appropriate mechanisms of state assistance;
- to propose efficient solutions for attracting financial support from the New Development Bank (NDB), and other development institutions;
- to study possible inclusion of Green Financing for the development of transport projects within the framework of the NDB.

6. Recognize the expediency of consolidating the efforts of the relevant authorities and institutions of the BRICS countries to ensure smooth international payments and related transactions, as well as to overcome existing barriers.

7. To study opportunities for participation of the BRICS Business Council in improving the legal framework regulating international transportation.

In regard to improvement of legal framework for international transportation between the BRICS countries it is reasonable to form a dispute resolution mechanism. It should provide an opportunity for companies involved in trade along the BRICS routes to settle their disputes by way of mediation or arbitration

Development of infrastructural cooperation in the "BRICS + Africa" format

Africa's increasing urbanization, industrialization, and projected rise in transported volumes create favorable conditions for logistics expansion. Compared to road transport, rail transport offers a promising solution to mitigate external costs associated with transportation. It exhibits superior energy efficiency, reduces greenhouse gas emissions, alleviates traffic congestion, minimizes road damage, and improves safety.

Taking into account the importance of

development of projects for creating Trans-African transport routes for better connectivity of BRICS and Africa to consider as reasonable:

- development of coordination mechanisms of interaction between the BRICS countries (G2G level) for implementing of appropriate projects; -funding of these projects to dedicated development institutions, including the NDB.
- to create transport and logistics infrastructure for the consolidation of goods from African countries for their further shipment to the BRICS countries.

Summarized recommendations to the Heads of BRICS States.

1. To highlight creating and regular updating of the Guide for the BRICS Transport Barriers, covering:
 - creation of conditions for further development of efficient transport infrastructure for better logistics connectivity;
 - setting up of a mechanism for informational exchange on prospective infrastructural projects;
 - informational exchange of best practices.
2. To continue further development of the Electronic Communication Platform BRICS Transport.com and consider possible ways for better coordination of the activities on development of the joint projects in BRICS.
3. To recommend to continue systematic work on development of the BRICS Transport Academy in order to unlock the human potential of the countries of the Group.
4. To recognize the expediency of consolidating the efforts of the BRICS countries to ensure smooth international payments and related transactions.
5. In regard of the improvement the legal framework for international transportation between the BRICS countries it is reasonable to resume discussions on forming a dispute resolution mechanism, for providing an opportunity for companies involved in trade along the BRICS routes to settle their controversies by way of mediation or arbitration.
6. To recommend to include a statement on creation of conditions by the business community for implementation of agreements reached at the first Meeting of the BRICS Ministers of Transport,

into the Declaration of the BRICS Summit in Kazan;

7. To enhance cooperation with the NDB and other financial institutions in the field of funding of infrastructure projects.
8. To highlight feasibility of support of a Concept for creating a Global Logistics Platform

1.6. TRADE AND INVESTMENT

As of January 1, 2024, BRICS has welcomed five new member nations: the United Arab Emirates, Ethiopia, Egypt, Iran, and Saudi Arabia. This historic expansion, which effectively doubles the number of BRICS member states, underscores the increased importance of fostering robust trade and investments.

Recommendations from the Trade and Investment Working Group of the BRICS Business Council (BBC) to BRICS Governments

1. Promote trade cooperation through the harmonization of regulatory standards;
2. Develop robust supply chain networks for goods of critical nature, including medical supplies, vaccines, life-saving pharmaceuticals, food products, and related technologies.

Proposals for Inclusion in the BRICS Business Council Annual Report 2024

HARMONIZATION OF REGULATORY STANDARDS

Context:

With the difficulties arising from deglobalisation, expansion of international trade is under serious risks which means the increasing demand for uniform standards and technical regulations in global markets. It has become imperative to foster stronger cooperation on trade development and regulatory standardization among BRICS nations. Although some progress has been made in enhancing economic and trade cooperation within BRICS, certain gaps remain when compared to more integrated groupings, such as ASEAN and the European Union. The slow pace of standardization has, in particular, impeded deeper and more comprehensive economic collaboration among BRICS nations.

To address this, BRICS countries should further strengthen the ongoing trade development and standards cooperation initiatives. This would improve collaboration in the above mentioned fields across member economies, amplify BRICS' influence on global regulatory frameworks, and deepen economic and trade exchanges within the groupings. Key actions to promote this initiative include:

- Establishing a collaborative mechanism between BRICS business support organizations (BSOs)—including trade promotion bodies, chambers of commerce, and trade associations—and their respective national standards bodies (NSBs);
- Developing a BRICS-wide information platform for trade development and standards cooperation;
- Hosting regular seminars, workshops, and forums on trade development and regulatory standards.

Benefits:

The harmonization of regulatory standards across the expanded BRICS membership would yield multiple advantages, including the following:

- **Simplified Cross-border Trade:** Harmonized standards reduce regulatory discrepancies, making it easier for businesses to operate across BRICS economies, thus boosting trade volumes.
- **Enhanced Product Quality and Safety:** Harmonised standards raise quality and safety benchmarks, increasing consumer confidence and driving demand for BRICS products globally.
- **Increased Foreign Investment:** A consistent regulatory environment across the 10 BRICS countries would make the grouping more attractive to international investors, reducing complexity and operational risk.

Enhancing Connectivity and Building Supply Chain Networks for Goods of Critical Nature

Context:

The Trade and Investment Working Group has analyzed BRICS' trade dynamics over the past five years. Despite varying data sources, the consensus is clear: BRICS' share of global trade continues to rise. For instance, Russia has swiftly reoriented 54% of its trade towards BRICS nations, serving as a model for other members to enhance their own market presence

within the grouping.

To further accelerate intra-BRICS trade and investment, the Working Group will continue to collect and analyze trade flow data, identifying barriers such as tariffs and non-tariff measures and prioritizing opportunities for trade liberalization.

Benefits:

By systematically identifying and addressing trade barriers, the Working Group will offer critical insights to the BRICS Business Council, which in its turn, retranslate this information to the BRICS leaders. This initiative will facilitate more effective trade discussions and supporting the region's small and medium-sized enterprises (SMEs). Moreover, these efforts will lay the groundwork for building robust supply chain networks for essential goods such as medical supplies, vaccines, pharmaceuticals, food, and related technology.

A common understanding of «essential goods» across BRICS nations is vital, especially during times of uncertainty. The BRICS countries should work collaboratively to establish a shared list of critical items, ensuring that their trade remains unimpeded during global crises.

1.7. MANUFACTURING

1. Developing digital institutions to create a high level of digital innovation culture.

Context:

The BRICS countries need to jointly develop digital institutions to actively implement advanced digital technologies in the areas of manufacturing.

The BRICS countries need to continue developing their own digital strategies, including the implementation of artificial intelligence in manufacturing, the development of augmented and virtual reality technologies and the Internet of Things.

Benefits:

The introduction of digital technologies in manufacturing leads to significant progress in the socio-economic transformation of the BRICS countries, and joint efforts in this direction contribute to the rapid development of digital institutions.

2. Exchange of experience in creating

comprehensive digitalization programs.**Context:**

All BRICS countries are open to innovation and exchange of experience. In this context, joint efforts of BRICS countries are required to strengthen digital adoption in manufacturing.

IoT technologies based on the best practices of BRICS countries will improve the efficiency and safety of production activities in manufacturing, for example, by using sensors to monitor critical equipment and predict maintenance needs, optimize energy consumption in real time, etc.

Benefits:

Expanding cooperation in the field of creating comprehensive digitalization programs in the BRICS countries and using the best global practices in this area helps to increase the efficiency and safety of production activities in manufacturing.

3. Development and harmonization of the guidance framework for the use of digital technologies.**Context:**

In the context of achieving the set goals for the successful implementation of digital technologies in the BRICS countries, one of the urgent and key tasks is the guidance framework of the digital environment.

The ultimate goal of the necessary changes is to create a system that will ensure the adequate functioning of the digital environment and support the development of digital technologies.

In this context, the BRICS countries can explore some common minimum standards of the digital economy based on a flexible approach, and develop and implement guidance framework to remove barriers that hinder the development of digital technologies.

It would be useful to consider the possibility of creating a joint AI research resource in manufacturing in the BRICS countries.

One of the results of this work could be a harmonized and comprehensive framework for the digital system.

Benefits:

Development of a joint balanced approach aimed at developing and harmonizing the framework guiding the use of digital technologies in

manufacturing in the BRICS countries.

4. Expanding the number of educational programs in the field of digital technologies.**Context:**

Current trends related to the accelerated development of digitalization processes in manufacturing require the adoption of appropriate decisions, including those aimed at expanding educational programs in the field of digital technologies to solve the problems set by the governments of these countries.

In this context efforts should be directed towards expanding educational programs in the field of digital technologies, organizing “digital internships” within BRICS countries at leading enterprises in the industrial sector, as well as implementing the practice of “digital apprenticeships” in leading technology companies.

At the same time, it would be advisable for the BRICS countries to jointly create unified online educational platforms that should unite a wide range of educational resources to organize a system of online courses to obtain the necessary digital skills in manufacturing.

It is important to create and implement programs with state support and development of universities in the BRICS countries to form digital competencies in manufacturing.

Benefits:

Cooperation between BRICS countries in exchange of experience and creation of joint online educational programs in the field of digital technologies in manufacturing will provide an opportunity to train highly qualified specialists with advanced competencies in these areas.

5. Supporting companies producing digital technologies.**Context:**

As digitalization processes become increasingly important for the development of national economies of BRICS countries, as a tool to support digital production in manufacturing, BRICS countries need to play a more active role in stimulating the development of national digital technology producers by providing them with more support for innovation and R&D.

Government support could include the provision of direct financial assistance (e.g. grants, loans,

share purchases), the provision of specific resources to companies in the manufacturing sector in BRICS countries, or targeted purchases of products.

It is important to provide such incentives to digital technology producers for large investments in R&D, and to allocate targeted grants and subsidies to companies in BRICS countries for the development and implementation of new digital technology solutions in manufacturing.

Funding from state budgets should be distributed to specially created target investment funds aimed at supporting the manufacturing sector of the BRICS countries.

It would be appropriate to consider the possibility of allocating funds to foreign companies from other BRICS countries represented in the country that are expanding production in manufacturing in that country.

In this context, it is important to combine direct injections of state capital with market mechanisms to support the development of digital technologies in manufacturing in the BRICS countries.

Benefits:

Government support is one of the decisive factors for accelerating digitalization processes and one of the main tools for the development of national production in the field of digital technologies in manufacturing in the BRICS countries.

6. Establishment of a system for continuous monitoring and evaluation of digital initiatives.

Context:

In order to reliably monitor the process of achieving the set of goals for digitalization in the area of manufacturing in the BRICS countries, regular and comprehensive work is needed to collect data characterizing the current state of implementation of the relevant tasks within the framework of existing statistics (taking into account, among other things, the emergence of new technologies and directions that need to be reflected in the system in a timely manner). These need to be done keeping in mind national security and other aspects.

In this context, the BRICS countries need to implement monitoring and evaluation systems that establish principles on the basis of which it is possible to control the implementation of digital strategies, and establish the most significant

digital indicators in manufacturing that will be monitored.

Key goals for digitalization in manufacturing in the BRICS countries should be formulated, which could include: digital skills, digital infrastructure, digital transformation of business, etc.

It is advisable to consider the possibility of creating and using a digital development index to assess the state of digitalization in manufacturing, consisting of such parameters as: the volume and quality of digital services provided, the level of development of telecommunications infrastructure, human capital, etc.

Joint efforts in this direction could result in the development of an annual strategy focused on assessing the comparative performance of BRICS countries in order to identify best practices in digitalization, as well as a methodology for assessing the combined efforts of BRICS countries aimed at reducing the gap in achieving the goals and common objectives of digital initiatives in manufacturing.

An important factor for successfully monitoring digitalization processes is also the identification of responsible authorities that will be directly involved in this process in order to evaluate its progress over time.

Benefits:

A structured approach to monitoring digital transformation processes will significantly improve the efficiency of digitalization processes in manufacturing in the BRICS countries.

1.8. AVIATION

Issues under Discussion:

In addition to the chapter on Manufacturing, the following also needs to be noted.

Air transport is a critical enabler of economic growth and development. Air transport supports integration into the global economy and provides critical connectivity at the national, regional, and international levels. It helps improve trade and promotes tourism and investment.

Although the BRICS was formed in 2010, connectivity between member states remains inadequate. A significant number of the Bilateral Air Service Agreements (BASA) are still restrictive and have become barriers in the development of Airlift amongst the BRICS member states. Additionally, the lack of an airlift framework has

led to a slow development of air connectivity amongst BRICS member states.

In August 2023 during the South Africa Chapter, an MOU which covers the following was proposed and agreed upon by all BRICS countries:

• **Propose to our governments the development of a Multilateral Air Service Agreement (MASA) Framework for BRICS.**

The BRICS Multilateral Air Service Agreement would be aimed at streamlining regulatory processes, enhance competition, increase air connectivity by removing the barriers to improving air connectivity such as restrictive country to country bilateral air service agreements. This would be underpinned by the creation of a task force led by the Ministry of Transport, Airports Authority, and Airlines from all the BRICS member states, and would be responsible for:

- o Evaluating the all the BRICS BASAs and identifying constraints and barriers to entry.
- o Conducting research to support the development of a liberal MASA Framework for BRICS Member state.
- o Recommending the establishment of a monitoring body to ensure all Bilateral Air Service Agreements (BASA) are compliant with the MASA Framework

• **Develop a route pipeline by identifying the largest unserved city pairs/routes amongst BRICS member states and recommend to our governments.** Currently, there is no direct Air Connectivity between Russia and Brazil, Russia and South Africa, South Africa and India, China and Brazil, India and China (there is however connectivity between India and Hong Kong, where Hong Kong provides connectivity between India and mainland China). Connectivity is an essential prerequisite for comprehensive cooperation and a closer economic partnership between BRICS countries, to facilitate market inter-linkages, and the grouping's integration for Mutually Accelerated Growth, Sustainable Development, and Inclusive Multilateralism.

The development of an airlift strategy will enable member states to identify markets with no direct connectivity and to develop a route pipeline comprising of the largest unserved city pairs/routes, that can be sustainably developed

through strategic partnerships between airports, airlines, and other stakeholders.

This would be underpinned by the creation of a taskforce, led by the subject experts from the Airline and Airports Authority, to bring together other relevant stakeholders in the aviation and tourism value chain from each member state, and would be responsible for:

- o Sharing of available information
- o Collectively agreeing on key air routes to be developed
- o The creation of a taskforce comprising of multiple aviation stakeholders to drive implementation and monitor progress.

• **Collaborate with all training academies in the BRICS countries on aviation skills development with a focus on critical skills.**

- o This is highlighted as a critical area of focus to enable skills development amongst BRICS countries Aviation Sectors through formal training and exchange programmes towards unified standards in
 - Training Pilots
 - Aviation safety and security
 - Cargo and passenger facilitation and technology development particularly in Remotely Piloted Aircraft Systems (RPAS)
 - Urban mobility aviation solutions and cross pollination between defence and civilian aviation operating systems

1.9. SKILLS DEVELOPMENT, APPLIED TECHNOLOGY AND INNOVATION

Focus Areas

1. BRICS Future Skills and Tech Challenge / Competitions

Since 2017, BRICS Future Skills Challenge has been held continuously as an important deliverable to the BRICS Business Council. With development within seven years, the competition has developed into a cooperative mechanism organized by the BBC STIWG. Since 2024, the BRICS Challenge has included a technology track and upgraded its name and status to the BRICS Future Skills and Tech Challenge. As well since 2024 Challenge will incorporate a "solutions

track” to encourage technology driven solutions. In 2024, the BRICS Challenge is held in high-tech and promising areas: «New and promising markets», «Digital Economy», «Emerging industries». Challenge events are held in both on-site and distributed formats hosted by advanced industry skills centers and production sites in Russia’s rapidly developing regions and BRICS+ countries.

In the framework of remote and distributed competition, each BRICS country can set the competition venue, on which competition in a hybrid format is held together.

Russia hosted hybrid events for twenty-four (24) skills on BRICS Future Skills and Tech Challenge in 2024 with China hosting additional skills to ensure all future skills and applied technology were covered during 2024.

The final stage of the competition, the Super Cup, and the award ceremony took place in Kazan in September 2024.

And the BRICS competition in China with 24 skills is going to take place around November to December 2024, with each skill is distributed in the educational institutions, so as to strengthen the cooperation between education and industry.

2. BRICS Future Skills Training Activities

Continuing to construct the BRICS Future Skills Training Activities and Training Bases in BRICS+ countries in order to establish a platform for BRICS+ future skills training, certification and best practices exchange within the BRICS+ countries, and to foster BRICS+ future skills talent development.

Intensive training courses, or Skills Camps, are advanced technology training sessions, short training programs on advanced technologies and skills. These training programmes are developed and delivered by leading BRICS experts in high-tech sectors on the basis of advanced technological solutions, and the experience of BRICS and BRICS+ nations. Russia hosted 20 such Skills Camps in 2024, and China will host 24 Skills Camp in the online format.

3. BRICS Future Skills Training Base

Development and Opening of Training centers.

There is intention to develop and open BRICS+ training bases for specialized future skills centres.

South Africa has partnered with academic institutions and have since opened 5 BRICS Skills training bases across three provinces including a public sector focused academy aimed at transforming skills within the municipal sectors.

In order to promote the construction of international training bases, the China-Brazil STI working group has agreed to build a Future Technology and Skills Center on Research & Development and training in Santa Catarina State, Brazil, taking into account best world practices of Kazan International Skills Center, the BRICS Future Skills and Tech Challenge 2024.

China and South Africa STIWG’s agreed to cooperate to build an artificial intelligence and virtual reality training base (BRICS workshop), focusing on the field of artificial intelligence with involvement of the experts from Brazil, Russia and India.

4. Research and Development

Cycle of project sessions on development of skills and technologies 2024

In 2024, BBC STIWG facilitated 18 project sessions on the development of skills and technologies, and standardization. The sessions discussed best practices for developing technologies and skills related to promising competencies in BRICS+ countries.

The sessions identified approaches to developing skills and the latest technologies were reviewed.

Representatives from corporations, technology companies, educational institutions, and manufacturers of technological and software products at the national and international levels, as well as representatives from professional qualifications councils, participated in the project sessions.

BRICS technology and skills model foresight

The BBC STIWG has facilitated forecasting work on cross-cutting technologies, promising technological specializations and staff demand in the field of high technologies..

The foresight report covers new technologies and markets, as well as analysis of future competencies and skills.

The foresight shows established practices for implementing cross-cutting technologies in high-tech industries, and a methodology for conducting a comprehensive analysis of the development of these technologies, promising technological specializations and the demand for specialists.

5. Launching a dialogue on technological cooperation, incubation and innovation

The BBC STIWG emphasises the technology cooperation and considers strengthening the technology agenda, including the development of BRICS technology platforms and alliances of science and technology innovation.

BRICS technology cooperation aims to deepen scientific and technological exchanges and coordination among BRICS+ countries, promote the growth and improvement of scientific and technological talents, accelerate technology transfer, achievement transformation and incubation among BRICS+ countries, share scientific and technological innovation cooperation and achievements, so that more innovation achievements can benefit global development and improve people's well-being, and create a model and example of Cooperation.

The technology platform focuses on the technology development and innovation, and the alliance of science and technology innovation aims to allow more engineers, professors, scientific and technological workers from BRICS+ countries to join the technology innovation work.

6. Development of BRICS Standards for assessment, competition, curriculum

The BRICS Standardization Working Committee for Skills and Technology, since its establishment in 2022, is a recognized and acknowledged unit for standard formulation and curriculum development under BBC STIWG to promote the coordination, mutual recognition and harmonization of BRICS standards. Participation in this Committee is on voluntary basis and this project is managed by the China STIWG and aims to develop standards for over 50 skills and technologies, including Digital Capabilities for Business, Internet of Things (IoT), Building Information Modeling (BIM) and so on. These standards will be used in Future Skills Challenges, in assessment of competency in BRICS training

programmes and in accelerating technology application and innovation.

In order to further promote BRICS standardization cooperation and mutual recognition of standards, the BBC STIWG working on 1. Organize the standardization sessions, conducts standard-formulating workshops to train the standard-formulating personnel. 2. Develop the BRICS group standards information platform to provide an official publishing channel for BRICS standardization activities. 3. Improve the BRICS standardization expert database, and invite experts and scholars from BRICS + countries to join. 4. Advance the formulation of standards and development of curricula. 5. Develop competition standards based on BRICS Future Skills & Tech Challenge/Competition. 6. Develop technical tasks based on the development of new technologies, new industries and new business formats among BRICS+ countries. 7. Issue the Skills Passport on the basis of skills standards.

7. Knowledge sharing programmes - BRICS Auditorium of Skills Development and Technology Innovation

As an important platform for knowledge sharing, technical skills exchange and theoretical training among BRICS+ countries, the BRICS Auditorium of Skills Development and Technology Innovation has been successfully held for 25 sessions since 2022, involving more than 20 countries and more than 260,000 participants. Theoretical and technical discussions and skills training were conducted through regular forums, seminars, thematic meetings, virtual or physical classes and workshops.

Issues under Discussion:

- To consider development of the Global Remote Employment Platform for BRICS;
- To consider network of Centers for the Development of Advanced Competencies and Technologies establishment.

V

ANNEX 1

BRICS Transition Finance Framework

GLOSSARY

NDCs – national climate plans highlighting climate actions, including climate related targets, policies and measures governments aims to implement in response to climate change and as a contribution to global climate action.

BRICS – group of countries that comprise of Brazil, Russia, India, China, South Africa, Egypt, Ethiopia, Iran, Saudi Arabia and United Arab Emirates.

GHGs – greenhouse gases

IPCC – Intergovernmental Panel on Climate Change. This is an intergovernmental body of the United Nations for assessing the science related to climate change.

COP – Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC). This is an international climate summit, which is held annually unless the Parties (the countries involved) decide otherwise.

UNFCCC – United Nations Framework Convention on Climate Change is the United Nations process for negotiating an agreement to limit climate change.

Paris Agreement – legally binding international treaty on climate change adopted by 196 countries at the COP21 in 2015.

SDG – Sustainable Development Goals, also known as the Global Goals, are universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity.

SCF – Standing Committee on Finance. This Committee is to assist the COP in exercising its functions with respect to the Financial Mechanism of the Convention in terms of improving coherence and coordination in the delivery of climate change financing, rationalization of the Financial Mechanism, mobilization of financial resources and measurement, reporting and verification (MRV) of support provided to developing country Parties.

Climate strategy (low-carbon strategy) – document which sets the climate goals and measures to be taken in order to achieve these

goals.

Climate transition (low-carbon transition) – a process of shifting towards a low-carbon, more resource-efficient and sustainable economy delivered in a just manner aligned with the goals of the Paris Agreement.

1. INTRODUCTION

1.1 BRICS Transition finance Framework (hereinafter referred to as Framework) defines the main approaches, criteria and standards in respect of transition finance projects, financial instruments and investments in the BRICS countries.

1.2 Transition finance refers to finance raised or deployed to implement the net-zero transition, in line with the Paris agreement (i.e. Nationally Determined Contributions (NDCs)). This includes the decarbonisation of entities or economic activities that are emissions intensive; may not have low- or zero-emission substitute that is economically available or credible; are important for future socio-economic development. As such, transition finance is a part of climate finance.

1.3 Climate finance refers to local, national or transnational financing drawn from public, private and alternative sources that seeks to support mitigation and adaptation actions addressing climate change.

1.4 As part of climate finance transition finance is at the core of achieving the SDG 13: “Take urgent action to combat climate change and its impacts”. Transition finance must be recognized as a part of financing aimed at achieving climate goals. The transition finance also facilitates the achievement of a broad range of SDGs, including, but not limited to the SDG 7: “Ensure access to affordable, reliable, sustainable and modern energy for all” and the SDG 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”.

1.5 The purpose of the Framework is to ensure sufficient financing is available for decarbonization activities including those sectors that have high levels of GHG emissions and/or hard-to-abate sectors.

Based on existing practices, such industries and economic activities are not limited to certain sectors and may include:

- waste management;

- power industry;
- mining and quarrying;
- infrastructure facilities;
- construction sector;
- manufacturing sector;
- transport and industrial machinery;
- agriculture, forestry and fishing.

1.6 According to IPCC Sixth Assessment Report, the decade before 2030 is critical for combating climate change. During this period, the maximum possible GHG reduction must be achieved.

For the purpose of achieving the maximum possible emissions reduction in this “critical decade”, certain financing and investment practices are to be developed. Among other, such practices should be aimed at directing cash flows into projects and/or activities aimed at the decarbonization of industries and activities with high GHG emissions and/or hard-to-abate sectors.

1.7 Those industries and activities with high GHG emissions and/or hard-to-abate sectors in international practice, as a rule, do not fit green financing as part of their business still harms the environment. However, such industries are still important for future socio-economic development and may not have low- or zero-emission substitute that is economically available or credible at the moment.

At the same time, for most developing economies the ability to implement climate transition entirely depends on ensuring sufficient financing for the transformation of carbon-intensive industries.

Restraining access to financing for those industries and activities may lead to their gradual degradation which may be followed by an actual increase in GHG emissions rather than reduction. It may be caused by the following reasons:

- regulatory arbitrage may lead to the relocation of manufacturing to jurisdictions with softer regulation that will ultimately result in increase of emissions at the global level;
- the transfer of high-emitting assets to less regulated or publicly overseen entities may lead to continuing operations with no or lower further investment in GHG reduction;
- the effect of “green paradox” may arise: high incentive to extract fossil fuels today on the

back of expectations of tighter climate policies in the future. Stimulating the decarbonization of carbon intensive industries may soften the “green paradox”.

1.8 Transition finance is a way to reduce GHG emissions and achieve climate goals in BRICS countries and should be implemented alongside with the development of green finance and other measures in accordance with the countries’ NDCs.

2. IMPORTANCE OF TRANSITION FINANCE IN BRICS COUNTRIES

2.1 According to the SCF report the financing gap for the developing countries to achieve their NDC amounts to USD 5.8–5.9 trillion up to 2030. For many developing countries, green technologies are often too expensive to become the only basis for decarbonization in the short term. For some products of vital importance for global development whose production is associated with high GHG emissions, there are no technologies that could ensure zero GHG emissions. That is why it is necessary to direct funds to the projects aimed at reduction of GHG emissions to all enterprises including those with high carbon footprint to deliver maximum GHG reduction in the “critical decade” provided that such entities have strategies aligned with the goals of the Paris Agreement or contribute to national NDCs.

2.2 Transition finance is an instrument to manage climate risks and provide opportunities by the companies in the corporate sector and investors in the economy especially in hard to abate sectors seeking a transition of these sectors and therefore may serve as a mitigating factor for decreasing climate risks of financial systems whilst increasing climate opportunities and competitive of various industries.

3. GENERAL APPROACHES AND KEY PRINCIPLES TO TRANSITION FINANCE IN BRICS COUNTRIES

3.1 The development of transition finance and the consequent achievement of climate effects is possible subject to market players’ confidence. The confidence must be ensured by common and clear rules and a unified system of indicators and definitions. Such a system should define the concept of transition finance itself, criteria of transition financial instruments and the criteria under which a project can be recognized as a transition one.

The recognition of financial instruments as transitional may be determined in one of the common ways currently applied in international practice. The first approach is to link financing to taxonomies of priority projects and/or activities and/or goods and services. The second approach is to link financing to a description of a set of criteria that financial instrument must comply with in order to be considered suitable for transition finance. In some countries both approaches are applied and transition financial instruments are represented by both taxonomy based targeted instruments and non-targeted instruments, so-called climate-transition bonds (loans) and other financial instruments linked to climate transition strategies, plans and corresponding KPIs of an investment asset.

PRINCIPLE 1. APPLICATION OF COMMON TRANSITION INSTRUMENTS CRITERIA, DEVELOPMENT OF A COMMON TRANSITION TAXONOMY IN BRICS COUNTRIES

3.2 The tools to build common approaches include:

- the common definition of the transition projects or activities for all BRICS countries taking into account country-specific circumstances;
- confirmed reduction of GHG emissions on the basis of the BRICS countries system of metrics and definitions, which is to be developed as stated in Principle 4 of this Framework;
- independent third-party verification of transition projects and financial instruments against applicable criteria;
- independent third-party verification of the issuer's use of proceeds and climate reports;
- non-financial reporting prepared under internationally recognized standards;
- common framework for low-carbon transition strategies (plans) and KPIs development taking into consideration country-specific circumstances and stated NDCs.

3.3 Development of common transition projects criteria may have the form of a common transition projects or activities taxonomy for the BRICS countries.

PRINCIPLE 2. MUTUAL RECOGNITION OF FINANCIAL INSTRUMENTS IN SUSTAINABLE DEVELOPMENT FORMATS

3.4 BRICS countries share the common approaches to definition of sustainable instruments for financing. Such instruments include bonds, syndicated and bilateral loans, instruments of Islamic financing and investment that conform to country-specific criteria/circumstances. The projects financed with such instruments should be based on tools or meet the criteria listed in Principle 1 or the investee should set science-based goals related to climate transition and confirmed by an independent verifier.

3.5 BRICS countries share the view that there should be non-discriminatory access to transition finance for all corporates from BRICS countries regardless of their industry affiliation within the common definition of transition projects.

PRINCIPLE 3. DEVELOPMENT OF JUSTIFIED AND ACHIEVABLE STRATEGIES FOR LOW-CARBON TRANSITION

3.6 When developing their low-carbon transition strategies/plans, companies should set climate goals. Strategies shall be developed on science-based climate change scenarios and take national and geographic specifics into account.

3.7 The current level of technological development and access to technologies for companies from the relevant BRICS countries should be taken into account when setting climate goals and developing low-carbon transition strategies.

3.8 Climate goals must be:

- aligned with Paris Agreement goals or contribute to national NDCs;
- aimed at reduction (prevention) of GHG emissions, GHG absorption or GHG sequestration;
- clear and comprehensible in terms of their ambitiousness and underlying assumptions;
- comparable, i.e. based on the single system of metrics and definitions, non-financial reporting standards and ESG ratings system;
- sufficiently detailed and describe the specific conditions of the market where the company

operates, indicate the time frames and the final deadline for the climate goals achievement;

- based on publicly available and reliable scientific data;

- achievable, i.e. take into account the commercial, technological and geographical characteristics of projects and operations as well as unique national circumstances and approaches to just transition to low-carbon development;

- verifiable, i.e. provide an opportunity for validation by third-party verifiers and the scientific community;

- dynamic, i.e. subject to revision if market conditions or access to technologies change.

3.9 Low-carbon transition strategies should also contain the description of the steps and measures required to achieve the climate goals. Such a description should be deliverable and time-bound.

3.10 There should be a supervision and monitoring procedures related to the achievement of climate goals described in the low-carbon transition strategies.

PRINCIPLE 4. DEVELOPMENT OF A SYSTEM OF METRICS DEFINING THE CLIMATE GOALS AND MEASURING THEIR ACHIEVEMENT FOR THE PURPOSE OF REPORTING

3.11 BRICS countries share a common approach to defining metrics used for climate goals setting

and reporting on the progress towards their achievement.

3.12 Metrics may include absolute GHG emissions reduction, carbon intensity, financed GHG emissions or the list of technologies and actions taken to bring the emission down in case absolute GHG emissions reduction is not measurable.

3.13 The selection of metrics should provide for the unbiased assessment of the progress to the achievement of climate goals and be company or project specific.

PRINCIPLE 5. FREE APPLICATION OF CARBON REDUCING TECHNOLOGIES

3.14 BRICS countries share the view that technologies leading to GHG reduction should be freely transferred and used if their application facilitates the achievement of the goals of the Paris Agreement.

Such technologies may include GHG reduction, absorption and sequestration as well as justified usage of transition fuels. Outcome of the First global stocktake noted the important role of transition fuels in reducing GHG emissions. Within the current Framework the following fuels are considered to be transitional:

- low-carbon hydrogen;
- natural gas, including liquefied natural gas.

3.15 BRICS countries share the view that there shall be no barriers for goods and services needed for climate transition.

VI
ANNEX 2

Agreement on the establishment of BRICS Sustainable Development Network

BACKGROUND

In an increasingly interconnected and multipolar world, the BRICS countries, with their combined population of 46% of the world total, and 37% of the global GDP, represent an influential grouping on the global stage. However, their influence should not be confined to economic potential alone.

Sustainable development principles span across areas including environmental, social, institutional, governmental and just development. These principles are reflected in the UN Sustainable Development Goals (hereinafter referred to as SDGs) adopted by businesses, investors, and governments as a way to drive responsible economic growth that takes into account the well-being of people and the planet.

As the BRICS grouping grows and its economic significance expands, it is crucial to join forces and develop common solutions to achieve SDGs by addressing environmental challenges, such as climate change and biodiversity loss, as well as by promoting social inclusivity and addressing issues like poverty and inequality, and by implementing effective governance mechanisms that prioritize transparency and accountability.

To promote balanced progress across all the SDGs it is essential to harmonize energy security, environmental protection, social development, economic growth and just transitions including impact management in BRICS countries.

Having a platform dedicated to discussing and addressing issues regarding various aspects of sustainable development, including but not limited to just transitions, green finance, carbon markets, impact management etc. will greatly advance the achievement of SDGs in the BRICS countries.

SUBJECT OF THE AGREEMENT

Chairs of the Financial Services and Investments Working Group of the BRICS Business Council

RECOGNIZING a significant work conducted under the BRICS Business Council (hereinafter referred to as BBC) and the Recommendations to the BRICS Governments specified in the BBC 2020 and 2021 Annual Reports,

AIMING to further strengthen the existing close relations among the BRICS countries and fruitful cooperation in the field of sustainable development,

PURSUING the goals of the United Nations General Assembly Resolution A/RES/70/1 'Transforming our world: the 2030 Agenda for Sustainable Development' dated October 21, 2015, as well as the goals outlined in other relevant United Nations documents,

UNDERSTANDING the necessity to promote action towards achieving SDGs, the absence of which exposes people, ecosystems, infrastructure to significant risks,

CONSIDERING the importance of closer economic cooperation among the BRICS countries,

CONVINCED in the desirability to create a forum in order to share the experience and best practices for the above-mentioned purposes,

HAVE DECIDED to establish the BRICS Sustainable Development Network (hereinafter referred to as the Network), which will operate in accordance with the provisions of the Articles of this Agreement.

ARTICLE 1. PURPOSE

The Network represents an international forum (platform) for regular dialogue and cooperation between business and expert communities of the BRICS countries in the area of sustainable development, with a possible focus on specific topics, including green economy and climate change, sustainable finance and investment impact management.

The Network is aimed to be a center of expertise and will strengthen the cooperation of BRICS countries business and expert communities in the field of promoting sustainable development.

The purpose of the Network is the development of common approaches where feasible, science-based and practices-based methodologies to implement the joint positions and decisions agreed by the BBC.

The Network is to promote an improved, efficient, and science-based transparent environment that would help increase capital flows in the areas

of sustainable development and just transitions in the BRICS countries.

ARTICLE 2. FUNCTIONS

To fulfill its purpose, the Network exercises the following functions¹:

- methodological function, including, but not limited to²:
 - exchange of experience, expertise and best practices in sustainable development areas of: sustainable industrial development, related policies and regulatory developments, affordable energy and just transitions, sustainable cities and resilient infrastructure, water-secure future, climate change, environmental conservation and other related areas;
 - harmonization and/or comparability of terminology used in sustainable development areas including implementation and adoption of various ESG and Impact Management frameworks;
 - development of joint action plans/roadmaps within the framework of the Network;
 - development and/or harmonization of existing methodologies in specific areas of sustainable development, ex. sustainable finance (including green, adaptation, and transition finance) and carbon markets including emerging monitoring and evaluation frameworks and/or tools as it relates to sustainable development, as well as elaboration of an up-to-date methodological framework;
 - development of sustainable financial and investment instruments, including transition finance in the BRICS countries;
 - support for elaboration of common approaches where feasible (including validation/ verification), standards, and joint or interconnected infrastructure (including carbon registries) to facilitate implementation of emission reduction, avoidance and removal activities and promote carbon trading between the BRICS countries;
 - working out ESG, Climate change and Impact indexes and respective mutual investment funds;

- setting the road map for different climate financing instruments,

- representative function, including, but not limited to:

- the representation of the joint position of the business and expert communities in various areas of sustainable development, with a focus on just transitions and transition finance;

- the cooperation, within its mandate, with international organizations, as well as national entities whether public or private, international financial institutions and development banks.

Strategic areas of the Network may be determined by the BBC or initiated by the members of the Network.

The Network may also provide space for dialogue between national authorities and business and expert communities on the variety of sustainable development issues, complementing other efforts and platforms.

The main issues developed under the Network should correspond to the goals of the BRICS countries related to sustainable development and just transitions.

ARTICLE 3. GENERAL RULES OF PROCEDURE

3.1 Membership and Participation

Membership in the Network is open to organizations and other entities representing business and/or expert communities, such as companies, industrial associations, financial institutions and key expert organizations of the main sectors of the economy who are the key market players in the field of sustainable development and just transition. The main sectors include but are not limited to the following: financial sector, industrial sector, water management sector, energy sector, transport, agricultural and forest industry and science. International organizations whose mandate and operations are substantially devoted to sustainable development of the BRICS countries may also become members of the Network.

Members of the Network commit to adhering

¹ The aforementioned proposals are supposed to be submitted as proposal for consideration to the ministries/governmental agencies of the BRICS countries in charge.

² The list of areas where joint methodological work is needed may be expanded by the members of the Network if necessary in accordance with the amendment procedure described in Article 6.

to the Network's principles and objectives as stipulated in the Articles.

Application Process

Entities interested in becoming members notify the Chair of their national part of the Network, expressing their desire to join.

The Chair, upon verifying that the entity (the international organization) is eligible and complies with the Network's principles and objectives and upon consensus of all BRICS members will send a formal invitation.

Upon receipt of the invitation, the entity submits an application along with a signed copy of the Commitment to adhere to the Network's principles and objectives, as annexed to these Articles.

3.2 Organizational Structure

The Network is comprised of the Board, national parts and any international members (process of inducting international members may also be specified) that may join. National parts of the Network are composed of all members from the relevant country.

The national part of the BRICS Business Council appoints one entity such as company, financial institution or the representative industry association of the BRICS country to be a Chair of the national part of the Network ("National Chair") that coordinates the work of national members. Each country may rotate the national Chair organization at its discretion.

The Board of the Network is comprised of all national Chairs and may include International members (process of inducting international members may be specified and agreed to by all chapters with consensus prior to inclusion in board).

The Presidency of the national Chair in the Board is determined on a rotational basis according to the state that holds the BRICS Chairmanship.

3.3 Meetings and Conferences

The Network holds regular meetings, including an annual general meeting, to discuss and review its activities, strategies, and goals. Special meetings may be called as needed.

Meetings can be conducted virtually, and notice of meetings should be provided to all members well in advance.

3.4 Working Groups

The Network may establish working groups to focus on specific areas of interest or projects. These groups report back to the Board of the Network.

Working groups are composed of volunteer members and may include experts or advisors as needed.

3.5 Procedure

The high-level interaction within the Network takes place at the level of the Network's national Chairs. Such interaction occurs as needed and depends on the issue under discussion.

The Board of the Network determines the strategic directions for the Network and reports the results of the Network to the BBC.

The Board of the Network takes decisions by consensus of the Chairs participating in the issue discussed under the Network. Except where a decision is taken on the amendments to this Agreement under Article 6, individual national Chairs may declare their abstention which will be formally recorded and the Chair's vote will not be considered in determining of consensus.

Members may attend the meetings of the Board of the Network, unless it is held in closed format, whereafter members will be notified of the outcomes of the discussion.

Members have the right to participate in all meetings and discussions of the Network. Members may participate in the decision-making process by way of submitting their proposals and comments to their respective national Chair. They may propose initiatives and contribute in various forms to the development of the Network's activities. Initiatives submitted to a national Chair are circulated within the national part for discussion and potential further action at the level of the Board of the Network.

The work on terminology, development of common approaches where feasible, development of methodologies and financial instruments is carried out on a regular basis by the members of the Network within the national part and are coordinated by the national Chairs..

3.6 Communication and Reporting

Regular communication is maintained among members through newsletters, emails. Important updates, announcements, and minutes of meetings are shared with all members.

The Network may create a web-based platform to support and carry out daily co-operation.

The Network provides annual reports detailing its activities and future plans to the BRICS Business Council. These reports are made available to all members.

The main Results of the Network shall be reflected in the BRICS Business Council Annual report. The Network may also publish its own reports if it finds it reasonable.

3.7 Ethics and Conduct

The Network promotes transparency, accountability, and integrity in all its activities.

Article 4. Nature of the Network

The Network is non-profit, unincorporated platform. It operates solely as a collaborative forum for its members and does not constitute a legal entity under any jurisdiction.

Participation in the Network is entirely voluntary,

and members are not subject to any financial obligations or liabilities arising from their involvement in the Network.

Article 5. Amendments

This Agreement may be amended only by the decision of the Board of the Network by consensus.

Any proposal initiated by any member of the Network to introduce modifications in this Agreement must be communicated to the national Chair. The Chair brings the proposal to the Board of Chairs.

If the proposed amendment is approved by the Board, the Network certifies the fact by formal communication addressed to all its members.

The amendments will become effective for all members 3 (three) months after the date of the formal communication provided, unless the Board specify a different period.

VII

**Joint
Statement**

JOINT STATEMENT

by the BRICS Business Community
on Improvement of International Logistics Connectivity
and Cooperation in the field of Transport, Logistics
and Infrastructure Development

October 17th, 2024 in Moscow

1. General provisions

We, the representatives of the National Chapters of the BRICS Business Council (hereinafter referred to as the Council) attending the Annual Meeting of the Council in Moscow on October 17th, 2024, declare our commitment to the promotion of trade within BRICS by adhering to the following:

- aiming at improving Logistics Connectivity and building strong transportation chains between our countries;
- being driven by the need to reduce logistics costs and increase supply chain efficiency;
- committing to the UN Sustainable Development Goals;
- recognizing the necessity to contribute to reduction of carbon footprint;
- focusing on the efforts to remove barriers to the unimpeded, free and non-discriminatory movement of goods and services between our countries;
- recognizing the need to work further on human potential development, including lectures, international exchanges and internship programs (both in online and in-person formats);
- highlighting the importance of the St Petersburg Declaration as outcome of the First Meeting of the BRICS Transport Ministers (on June 6th, 2024, St. Petersburg);
- committing to respect the sovereignty & territorial integrity of all member states while carrying out trans-border transport cooperation.

Have agreed on the following:

2. Infrastructure Working Group and Sub-Group for Transport and Logistics of the BRICS Business Council

- to highlight the results achieved by the BRICS Business Council's Infrastructure Working group and the Sub-group for Transport and Logistics on preparing recommendations to the BRICS Heads of State in the field of development of infrastructure, transport and logistics;
- to admit the necessity of infrastructure development, including communication infrastructure, in the BRICS countries in order to achieve better logistics connectivity;
- to confirm the interest in strengthening of cooperation in the field of transport engineering;
- to support regular updating the information on the barriers for logistics connectivity which is included into the Guide for BRICS Transport Barriers, and possible ways to overcome them;
- to recognize feasible the further work performed by the representatives of the BRICS member-countries to involve new transport and logistics companies, organizations and educational institutions in the activities of the Business Council;
- To highlight feasibility of support of a Concept for creating a Global Logistics Platform.

3. BRICS.Transport.com electronic communication platform

- to support the concept of the Electronic Communication Platform BRICS Transport.com and consider possible ways for better coordination of the activities on development of the joint projects in BRICS.

4. Interaction on human development in the transport and logistics sector

- to recognize as feasible the support of the BRICS Transport Academy aimed at developing human potential in the field of transport and logistics;
- to propose that companies from the BRICS countries continue mutual contacts in the field of technical visits, internships, and training including youth programs;
- to support educational and awareness-raising events (online and in-person) on transportation and logistics.

5. Interaction on the sustainable development

- to recognize the need for a comprehensive discussion of transport measures that contribute to the achievement of the UN Sustainable Development Goals;
- to highlight increasing influence of climate changes on the work of transport and infrastructure, as well as risks of unfavorable weather conditions for transport activities;
- to recognize the expediency of information interaction between the BRICS countries in the field of preventing and eliminating unfavorable weather conditions, including heavy rains, at transport facilities and study international experience in this area.

6. Obligations of the parties

This Declaration does not impose any additional legal obligations on the signatories.

7. Other provisions

We are grateful to the Russian side for its fruitful BRICS chairmanship in 2024 and for the high level of the events organization.

*October 17th, 2024
Moscow*

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