



BRICS
Business Council

ECONOMIC GROWTH FOR AN INNOVATIVE FUTURE

BRICS BUSINESS
COUNCIL ANNUAL REPORT



SMART PHONE

BRASILIA, BRAZIL
NOVEMBER 14, 2019



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FOREWORD

The chairpersons of the BRICS Business Council (BBC) are honoured to submit the BBC Annual Report to the governments of the BRICS nations. This document outlines some necessary policy responses at the intra-BRICS level and recommends key actions to support their implementation.

The Annual Report includes 23 recommendations that reflect the work of the Council in the previous 12 months, in addition to short and long-term goals. We look forward to discussing these recommendations and to supporting their implementation.

The BBC was established by the BRICS nations in 2013 as the main dialogue mechanism between the business communities and the governments. In this context, the Council is responsible for identifying, addressing and helping build consensus on the pressing issues of the business agenda that can contribute to and foster trade and investment among BRICS countries.

The first five years of the BBC were essential for building the framework of the Council through the establishment of working procedures, the development of business relations and the cooperation among BBC members and secretariats. As the Council begins a new cycle, it aims at a robust implementation of its policy recommendations and a closer collaboration with the governments.

For the private sector, the BRICS group has already reshaped the global economy. But it can play an even more prominent role in fostering trade and investment, supporting growth and job creation, and securing the sustainable development of our countries.



Mr. Jackson Schneider
Federative Republic of Brazil



Mr. Sergey Katyrin
Russian Federation



Mr. Onkar Kanwar
Republic of India



Capt. Xu Lirong
People's Republic of China



Mrs. Busi Mabuza
Republic of South Africa



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1. RECOMMENDATIONS FOR BRASILIA SUMMIT



1. Best practice sharing: cooperation on modern biotechnology and harmonization of regulatory rules.
2. Establish Mutual Recognition Agreements on Authorized Economic Operator Programs.
3. Adopt electronic phytosanitary certificates in bilateral trade between BRICS countries.
4. Define national focal points for BRICS investors.
5. Establish a network of innovation hubs to share experiences and to strengthen the BRICS Partnership on New Industrial Revolution.
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- 8.** Promote market access and foster the development of digital platforms.
 - 9.** Promote the adoption of Industry 4.0 solutions in SMEs and share best practices amongst the BRICS countries.
 - 10.** Support the development of funding for clean energy projects matching New Development Bank requirements.
 - 11.** Promote energy integration among BRICS and bordering countries via the New Development Bank.
 - 12.** Create a BRICS Energy Information Portal.
 - 13.** Cooperation between the BBC and the New Development Bank.
 - 14.** Improve public private partnerships in infrastructure projects implementation and investments.
 - 15.** Conduct R&D studies on advanced technologies in infrastructure sectors of mutual interest which contribute to the development of sustainable infrastructure facilities.
 - 16.** Increase logistics connectivity between the BRICS countries and within their regions to foster trade and development.
 - 17.** Implement additional private equity funds to foster the analysis and support infrastructure projects.
 - 18.** Adopt a well-to-wheel methodology to evaluate energy efficiency development and performance towards electromobility solutions from each of the BRICS economies and exchange information on regulatory models and public policies to promote, develop and enhance electromobility eco-systems in BRICS countries.
 - 19.** Exchange information and best practices regarding waste management.
 - 20.** Introduce a BRICS countries' Inventory of International Best Practices in Aviation Products and Services.
 - 21.** Assure financial means for the promotion of technical cooperation among BRICS countries.
 - 22.** Adopt a common curricula basis for future skills development.
 - 23.** Create a legal framework and the financial means to promote BRICS skills challenges on a yearly basis.

2. **THE BRICS BUSINESS COUNCIL (BBC)**



The BRICS Business Council (BBC) was established in 2013 at the 5th BRICS Summit in Durban, South Africa, bringing together the private sector of Brazil, Russia, India, China and South Africa.

The BBC goal is to strengthen the economic ties of BRICS business communities, ensuring regular dialogues between the private and public sectors and fostering trade and investment among the five economies.

The Council is organized into five national sections. Each section has five leading CEOs, a secretariat and a set of members, including companies and business organizations. Each section has a chairperson elected among the five leading CEOs. The Chairmanship of the BBC is rotating and annual.

The Brazil Section of the Council is led by the president and CEO of Embraer Defesa e Segurança, who is serving as BBC Chairman since April 2019 and will be succeeded by the chair of the Russia Section in January 2020.

Council members participate in nine Working Groups (WGs) covering a broad range of issues: agribusiness, digital economy, deregulation, energy and green economy, financial services, infrastructure, manufacturing, regional aviation and skills development. The WGs discuss and select policy recommendations to be approved by the BBC and delivered to the five governments.

The Council and the WGs meet twice a year, during the BRICS Summit and at the Mid-Term Meetings between summits.

3. BBC MEMBERS





Jackson Schneider
President & CEO
Embraer Defesa e Segurança

Jayme Pinto Junior
General Manager
Banco do Brasil

Pedro Parente
Board Chairman
BRF

Eduardo Bartolomeo
President
Vale

Harry Schmelzer
CEO
WEG



Sergey Katyrin
President
CCI of Russia

Igor Shuvalov
Chairman
State Development Corporation VEB.RF

Kirill Dmitriev
CEO
Russian Direct Investment Fund

Sergey Chemezov
General Director
Rostec State Corporation

Oleg Belozеров
CEO and Executive Board Chairman
JSC Russian Railways



Onkar Kanwar
Chairman and Managing Director
Apollo Tyres Ltd.

Jai Shroff
Global CEO
UPL Ltd.

Naina Lal Kidwai
Chairman
India Advisory Board
Advent International Private
Equity

T. V. Narendran
Global CEO
and Managing Director
Tata Steel Ltd.

Vikramjit Singh Sahney
Chairman
Sun International Pvt. Ltd.



Capt. Xu Lirong
Chairman
China COSCO SHIPPING
Corporation Limited

Dai Houliang
Chairman
China Petrochemical Corporation
(Sinopec Group)

Chen Siqiang
Chairman
Industrial and Commercial
Bank of China (ICBC)

Lyu Jun
Chairman
COFCO

Lu Yimin
President
China General Technology



Busi Mabuza
Board Chairman
IDC

Elias Monage
Chief Executive Officer
Afika Group

Bridgette Motsepe Radebe
Executive Chairperson
Mmakau Mining

Stavros Nicolaou
Executive Director
Aspen Pharmacare

Ayanda Ntsaluba
Executive Director
Discovery Ltd

4. BBC WORKING GROUPS STOCKTAKING



4.1 ISSUES WITH CONSENSUS

AGRIBUSINESS

1. BEST PRACTICE SHARING

The AWG ratified the importance of sharing best practices in agriculture among BRICS countries, since technology is changing the means of production and international trade. We have mapped a number of focus areas. However, we strongly recommend that the group advance in terms of identifying its key priorities. So far, the one priority in which we have reached consensus is cooperation on modern biotechnology.

A) COOPERATION ON MODERN BIOTECHNOLOGY

Context: The BRICS Ministers of Agriculture adopted the Bonito Declaration on September 26, 2019, as a result of their Ninth Meeting, which recognized the role that modern biotechnology can play in the improvement of agricultural efficiency and sustainability.

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

- Promote at least one annual meeting of BRICS regulatory agencies to strengthen dialogues and consultations in areas such as biotech safety review and germplasm research and development, including private sector participation.

Benefits: Improved agricultural efficiency and sustainability.

Other topics such as water usage, soil fertilization and agritech should also be explored in connection with best practices.

B) HARMONIZATION OF REGULATORY RULES

Regarding trade facilitation, the group has aligned that this is a critical topic of enhancement, so that clear and modern standards may be attained in terms of regulation and sanitary and phytosanitary requirements with a focus on harmonization and reduced bureaucracy. We also agreed that beyond sanitary and phytosanitary regulations, we are facing challenges in terms of logistics costs and trade barriers that can be explored by other working groups such as infrastructure and deregulation.

Context: The agricultural trade and exchange among BRICS countries is excessively regulated in regard to many products, such as bilateral International Certification, which currently are directly negotiated by the countries in a context of many different individual sets of rules. Thus, the documentation-aspect is often identified as a bureaucratic bottleneck conducive to trade barriers. The harmonization of such requirements aims to reduce the aforementioned hurdles and promote trade involving agricultural products.

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

- Create a task force to analyse and prioritise the products or groups of products that can be the object of such harmonization;
- Promote at least one annual meeting of the sanitary and phytosanitary bodies of BRICS countries to promote their harmonization, including private sector participation.

Benefits: Improve agricultural trade; promote local development and income generation; and create jobs.

DEREGULATION

2. ESTABLISH MUTUAL RECOGNITION AGREEMENTS (MRA) ON AUTHORIZED ECONOMIC OPERATOR (AEO) PROGRAMS

Context: Individual BRICS countries may voluntarily seek to facilitate cross-border trade through MRAs for their AEO programs, on a bilateral basis. This procedure will substantially ease customs bureaucracy and reduce time and costs in their exchange of goods, contributing to the increase of trade flows within the BRICS group.

AEO schemes provide advantages to companies of all sizes and sectors that comply with specific criteria. As a result, exporters benefit from reduced inspections of goods and less clearance time at their borders. At the same time, customs security is enhanced. As AEO schemes increase administrative efficiency within customs administration, they allow for improved resource allocation, particularly towards inspections involving unknown high-risk cargo.

The World Trade Organization (WTO) Trade Facilitation Agreement (TFA) sets forth that in order to enhance the trade facilitation measures provided to authorized operators, members should afford to other members the possibility of negotiating mutual recognition of authorized operator schemes (Article 7.5).

A starting point for this objective could be the adoption of an Action Plan by individual BRICS countries to enter into Mutual Recognition Agreements (MRAs) between their AEO programs on a voluntary and bilateral basis.

Benefits: Customs bureaucracy simplification, time and costs reduction in the exchange of goods between BRICS countries, and customs security enhancement.

3. ADOPT ELECTRONIC PHYTOSANITARY CERTIFICATES IN BILATERAL TRADE BETWEEN BRICS COUNTRIES

Context: In line with the global efforts to facilitate trade, BRICS countries should adopt electronic phytosanitary certificates (ePhyto) in lieu of paper documents in their bilateral trade. The ePhyto is the electronic version of a phytosanitary certificate (in XML format), comprising all the data contained in a paper phytosanitary certificate.

The adoption of ePhyto in bilateral trade between BRICS countries would expedite administrative procedures and reduce red tape and costs in exports of goods subject to phytosanitary certification. It would also improve security and predictability by reducing the risk of fraudulent certificates and the number of shipments detained at customs.

BRICS countries will benefit from the exchange of electronic certificates with a standard format, in a quick and accurate manner, and at a low cost. This may be done through the ePhyto Hub, developed by the International Plant Protection Convention (IPPC). The IPPC has over 180 contracting parties, including all BRICS countries, and its secretariat is hosted at the Food and Agriculture Organization of the United Nations (FAO).

Benefits: Fraud reduction, efficient arrival and inspection of plants and plant products at the entry point, and simplification, time and costs reduction in the exchange of goods between BRICS countries.

4. DEFINE NATIONAL FOCAL POINTS FOR BRICS INVESTORS

Context: BRICS countries should designate national focal points to offer support to foreign investors from other BRICS countries, answer their requests and seek solutions to inquiries related to matters that are relevant for their investments. Establishing national focal points, desirably accessed by electronic means, would contribute to boosting investment flows among BRICS countries.

Such national focal points should work as a “single window” for investors from other BRICS countries, enabling increased transparency and making it easier to clarify issues related to their investments.

This recommendation is in line with the Outlines for BRICS Investment Facilitation, adopted by the BRICS in 2017, which encouraged BRICS countries to explore the possibility of establishing or designating an Ombudsman or a National Focal Point to handle enquiries and provide information related to investment.

Benefits: Increased transparency and access to investment-related information, and an improved environment for mutual investment.

5. ESTABLISH A NETWORK OF INNOVATION HUBS TO SHARE EXPERIENCES AND TO STRENGTHEN THE BRICS PARTNERSHIP ON NEW INDUSTRIAL REVOLUTION

Context: To promote the BRICS Partnership on New Industrial Revolution (PartNIR), and facilitate all-round cooperation among BRICS countries in terms of innovative solutions across different fields, a network of innovation hubs across BRICS countries should be established, bearing in mind each country's strength and experience.

The successful experiences of innovation hubs across the BRICS countries can be shared to promote economic development. For example, in China the city of Xiamen has taken practical actions and achieved some substantial results in this direction. Other BRICS countries also have similar experiences and achievements to share.

Benefits: Improve the innovative capacity and strengthen the innovation ecosystem across BRICS countries.



DIGITAL ECONOMY

6. PROMOTE CONNECTIVITY IN REMOTE AREAS FOR DIGITAL INCLUSIVENESS

Context: The BRICS countries share some common challenges that regard their large territories and extensive rural or remote areas. For business and citizens to be reached by broadband networks, there must be a strong development in the telecommunication infrastructure, which is the foundation of the digital economy.

Russia and China are references in terms of connectivity and inclusiveness, having a large portion of their population with access to digital services and platforms. To both Brazil and South Africa, the challenge is to expand connectivity beyond the urban areas to the rural communities. India has expanded access to digital services through the Digital India program.

To achieve the purpose of the proposal, the following initiatives should be accomplished:

- Develop projects for the expansion of connectivity in remote areas in the BRICS countries and coordinate funding proposals for the New Development Bank. There should be additional consideration to attract venture capital funding for emerging economies;
- Share experiences such as the Brazilian Agribusiness 4.0 Chamber and the development of digital infrastructure in the BRICS countries;
- Cooperate with China and Russia so that both countries may share knowledge and best practices in terms of expanding connectivity (broadband access and telecommunications infrastructure) both in urban and rural areas;

- Establish a dialogue between the countries to share know-how in regard to the 5G Spectrum Policy, enterprise use cases across vertical markets, infrastructure implementation and expansion processes to accelerate the digital economy transformation process;
- Prioritize the 5G subject inside the BRICS Communications Ministers Group; and
- Share experiences on the current support and subsidy models in the respective countries to encourage broadband connectivity, including the deployment of fibre optic networks and 4G/5G/FTTH services in remote/low population density rural areas.

Benefits: Inclusion of citizens and companies in the digital economy by providing access to public services, e-commerce and enabling the use of Industry 4.0 technologies such as the Internet of Things.

7. SUPPORT AND PROMOTE INITIATIVES ON DIGITAL EDUCATION AND LITERACY

Context: To successfully consolidate the digitization of the economy, citizens, companies and governments need to promote professional training and the digital education of citizens. Initiatives to accomplish these goals are being carried out in all five BRICS countries, but they need to be prioritized.

In order to achieve the purpose of the proposal, the following initiatives should be accomplished:

- Cooperate with the Skills Development Working Group across all levels and, particularly, with the survey research to identify the current gaps in the digital economy competencies in the five countries' economies;
- Develop at least one digital literacy program involving all BRICS countries to address the results of the survey on gaps in the digital competencies, in cooperation with the Skills Development Working Group;
- Create a roadmap of cooperation to build the BRICS Digital Literacy School initiative, a platform that will combine best educational practices, unite people of different professions and generations from all BRICS countries and dedicate attention to different stages of social development;
- Elaborate and consolidate a common BRICS ICT/STEM curriculum with a recognized qualification as an output accepted in all BRICS countries and beyond.

Benefits: Professional qualification of workers; education of citizens for the use of digital technologies; digital transformation in the economy; economic development.

8. PROMOTE MARKET ACCESS AND FOSTER THE DEVELOPMENT OF DIGITAL PLATFORMS

Context: The rapid expansion of digital technologies applications in all productive sectors is a common characteristic in the BRICS countries. In the services sector, connectivity and apps are central elements for companies to remain competitive. E-commerce is one example of the result of economical applications for new technologies like artificial intelligence, blockchain, cloud computing, robotics and others.

China is leading the way amongst the BRICS countries with extensive use of apps and e-commerce platforms. To support R&D and innovation for the new technologies related to digital economy a consolidated telecommunications infrastructure must first be in place in order to enable internet use and other connectivity resources by companies, government and the civil society.

To achieve the proposal objective, the following initiatives must be accomplished:

- Share experiences from entities such as those from the Brazilian Chamber of Industry 4.0 in other BRICS countries;
- Promote the development of local e-commerce platforms with dedicated programs and funding;
- Benchmark and recommend best practices through the private sector, academia and research institutes regarding topics such as regulation, cybersecurity, data protection, artificial intelligence, blockchain and cloud computing;
- Facilitate interaction and discussion amongst BRICS countries' large telecom companies on the 5G roll out process;
- Support the Universal Acceptance initiative actions;
- Help establish a framework in BRICS telecommunications topics such as low-cost roaming fares, lower costs for International Termination Charges, accelerate VoLTE 4G and 5G roaming arrangements and setting up international voice and data connectivity gateways for interested members.

Benefits: E-commerce and digital platforms development, increasing local and export markets along with on-line consumer access.

9. PROMOTE THE ADOPTION OF INDUSTRY 4.0 SOLUTIONS IN SMES AND SHARE BEST PRACTICES AMONGST THE BRICS COUNTRIES

Context: The rise of the digital economy impacts all sectors. In the industrial sector, for example, companies face the challenges associated to Industry 4.0 such as adopting digital technologies, connectivity applications and professional qualification.

To gain competitiveness in the global market, companies, especially small and medium-sized enterprises (SMEs), must digitize their production processes to enhance their productivity. To stimulate the adoption of Industry 4.0 solutions and promote productivity gains, private and government initiatives are being implemented all over the globe to raise awareness and to finance companies' modernization projects.

To achieve the proposal objective, the following initiatives must be accomplished:

- Share experiences from entities such as those from the Brazilian Chamber of Industry 4.0 in other BRICS countries;
- Establish a collaborative network within the BRICS countries, involving private and public sectors to share best practices in digital technologies adoption in SMEs to enhance productivity and scale;
- Make Industry 4.0 a priority amongst the subjects of BRICS Industries Ministers Forum;
- Set up a 'Center of Excellence' among BRICS countries within a public-private partnership (PPP) structure to develop sustainable 5G and 4th Industrial Revolution Enterprise Verticals 'Use Cases' in the fields such as education, health, energy, transport, industrial automation, etc.

Benefits: Competitiveness and productivity gains achieved by the digitization of the production processes, and solutions to solve SMEs productivity gaps and leapfrog to higher standards of production.

ENERGY AND GREEN ECONOMY

10. SUPPORT THE DEVELOPMENT OF FUNDING FOR CLEAN ENERGY PROJECTS MATCHING NEW DEVELOPMENT BANK REQUIREMENTS

Context: The Energy and Green Economy Working Group submitted a set of recommendations to the NDB.

These recommendations were related to the development of transformative and innovative funding mechanism that will address the gap that continues to hamper the development of infrastructure projects that are largely free of the traditional sovereign support that has characterized the funding milieu of these projects.

The NDB has considered the recommendations and there is now a need to deepen the conversation and support a pipeline of clean energy projects through a series of meetings or workshops with the presence of representatives from BRICS countries and NDB.

Benefit: Increase funding for energy projects.

11. PROMOTE ENERGY INTEGRATION AMONG BRICS AND BORDERING COUNTRIES VIA THE NEW DEVELOPMENT BANK

Context: Regional energy integration promotes optimal use of resources and increases renewable energy penetration. Power Generation and Transmission projects related to regional integration create value for bordering countries and attract funding.

It is important to showcase the benefits of regional integration and highlight previous successes. In South America, there are important initiatives promoted by the Inter-American Development Bank (IDB) with well-structured and well-defined policies that can be shared.

It is also important to show that integrated regional planning should facilitate supply and demand side management, with optimal integration of multiple renewable energy sources and energy storage into regional power grids.

Benefit: Funding for Power Generation and Transmission projects.

12. CREATE A BRICS ENERGY INFORMATION PORTAL

Context: The energy sector is undergoing significant changes worldwide. This energy transition can be characterized by certain trends such as electrification, decentralization, and digitalization. Other key and cross-cutting areas that should be highlighted in this sense are energy consumption, sustainable mobility and decarbonizing heating and cooling, including related production facilities for EV's, biofuels, bio-CNG, and solar thermal systems.

Case studies regarding energy transition trends in each country can be shared through the BRICS Energy Information Portal, improving countries' ability to deal with these changes proactively. The Energy and Green Economy Working Group may provide support to BRICS countries and offer opportunities for exchanging knowledge and experience concerning the trends, as well as collaboration between green businesses in the above-mentioned areas.

BRICS countries' effective cooperation in their efforts to promote projects will depend on the availability of standardized and updated information on each country's current regulation, national policies and best practices.

The Energy and Green Economy Working Group will continue to seek for financial support to this proposal with Multilateral entities including NDB.

Benefits: Increase the level of information on the energy sector.



FINANCIAL SERVICES

13. COOPERATION BETWEEN THE BBC AND THE NEW DEVELOPMENT BANK

Context: Our suggestion is to finalize an interaction mechanism between the BBC and the NDB through a Financial Expert Panel. The Expert Panel should coordinate NDB-related initiatives on behalf of all the BBC working groups.

In 2017, after an initiative from the Chinese members of the Financial Services Working Group, Memorandum of Understanding (MoU) on strategic cooperation was signed between the BBC and the NDB. . The Memorandum covers the following areas of cooperation: economic and financial research, activities in local BRICS countries' markets, knowledge exchange, cooperation between financial institutions and human resources development. In order to implement the MoU and to streamline dialogue with the NDB, a mechanism with the purpose of structring communication procedures with the NDB was proposed in 2018.

Part of the proposal was for the Financial Services Working Group to create a Financial Expert Panel (with 2 candidates from each country) which would be able to interact with the NDB on a regular basis. The Panel should be led by the designated candidate of the presiding country (Brazil in 2019). The head of the Expert Panel should constitute a position separate from the head of the Financial Services Working Group. The Expert Panel meetings could be conducted separately from the Financial Services Workin Group meetings.

Benefits: The main goal is a preliminary examination of specific initiatives presented by all BBC working groups and to jointly select the most promising, bankable ones together with the NDB and, if possible, achieve progress in initiatives through a fast-track. The additional goal is to avoid duplicating initiatives within the BBC and to cooperate more effectively and transparently.



INFRASTRUCTURE

14. IMPROVE PUBLIC PRIVATE PARTNERSHIPS IN INFRASTRUCTURE PROJECT IMPLEMENTATION AND INVESTMENTS

Context: The public-private partnership (PPP) approach has many benefits, but in order to make PPPs successful, concerned governments should identify projects that are suitable for this approach, engage the most qualified partner, enforce the right process, and allocate risks to parties best fit to manage them. If these requirements are met, all stakeholders can expect a fair share of the benefits.

Furthermore, it is imperative that BRICS countries should strive to partner with the private sector to implement and fund infrastructure projects in their respective regions. This will boost improved service delivery through transferring risks, encouraging innovation and the improved use of assets, underpinned by private funds.

Collaborating with the private sector on infrastructure projects will harness private sector management skills and commercial expertise and bring innovation to public infrastructure deliveries.

Unsolicited bids/proposals allow private entities to propose project ideas that are in line with a government's infrastructure plan and mobilizes private sector interest in developing commercially viable project solutions.

Public sectors often do not have the technical and financial resources necessary to develop preliminary feasibility studies. A well-designed unsolicited bid proposal process can require that these studies be included as part of the unsolicited bid proposal submission. This can reduce bottlenecks at an early stage of the PPP process.

Specifically, the Infrastructure Working Group is evaluating mechanisms to promote unsolicited bids such as the 'Swiss Challenge' and the establishment of dedicated infrastructure PPP funds.

Benefits: Infrastructure projects completed with more agility and reduced delays. Risks are appraised early on to determine project feasibility. Unsolicited bids support in overcoming challenges related to early stage project identification and assessment, and also promote innovative project ideas from the private sector.

15. CONDUCT R&D STUDIES ON ADVANCED TECHNOLOGIES IN MUTUAL INTEREST INFRASTRUCTURE SECTORS WHICH CONTRIBUTE TO THE DEVELOPMENT OF SUSTAINABLE INFRASTRUCTURE FACILITIES

Context: Through a joint agreement between BRICS countries, the infrastructure roadmap framework evolved as the basis for prioritizing the development of research infrastructure needs. This roadmap can provide guidance on the strategic development, acquisition and deployment of research infrastructure as a necessary enabler for research, development and innovation.

Therefore, building on existing capabilities and strengths, and drawing on future needs to respond to continental and global challenges is essential.

Benefits: Improved technology that can provide competitive advantages.

16. INCREASE LOGISTICS CONNECTIVITY BETWEEN THE BRICS COUNTRIES AND WITHIN THEIR REGIONS TO FOSTER TRADE AND DEVELOPMENT

Context: In line with the "BRICS plus" development approach, the Infrastructure Working Group has agreed to a greater focus on improving logistics connectivity through the development

of transportation networks between BRICS countries and regions. This is a special priority for South Africa given the coming into effect of the African Continental Free Trade Area (ACFTA) on May 30, 2019.

Development of maritime and railway transportation in particular is considered an important component of well-balanced economic development for the BRICS countries and the African continent. Railways are considered to be mandatory conditions to provide the population and economy with accessible and ecologically friendly transport.

Railways are a catalyst for developing key industry branches, and railway network extensions are accompanied by the creation of additional working places, the exploration of new competencies and an increase of the quality of life.

In light of the above, JSC Russian Railways and Transnet State Owned Company signed a joint statement on the development of cooperation in the field of railway transportation.

It is essential to highlight the importance of increasing connectivity across the Eurasian Continent, and in this regard, to support current joint Russian and Chinese projects in the field of railway transportation and logistics, including border crossings development, legal procedures simplification, electronic data exchange and etc.

Also, promoting multilateral initiatives in the “BRICS Plus” format are essential, which may include Economic corridor of Russia – Mongolia – China, and the development of Trans-African corridors and the creation of a joint SCO railway transportation system with the participation from Russia, China and India.

Similar cooperation between other member countries may also be considered seeking connectivity improvement of a member country and other member countries. Related subjects like ease of visa may be included in this agenda to facilitate intra-BRICS movement.

Benefits: Wider access to markets due to improved connectivity, increased population mobility, greater opportunities for goods and services transportation, achievement of integration objectives and economic growth.

17. IMPLEMENTATION OF ADDITIONAL PRIVATE EQUITY FUNDS TO FOSTER INFRASTRUCTURE PROJECTS ANALYSIS AND SUPPORT

Context: One of the key issues in order to invest in infrastructure is, of course, funding. It remains the case that in many countries, the two biggest sources of funding are the government and banking sector. These sources are complemented by multilateral development banks even though their aggregate resources remain relatively small.

Taking into account infrastructure projects high capital intensity, issues inherent to efficient fundraising are usually a priority on BRICS countries’ agendas.

For instance, in Brazil, infrastructure investments are significantly lower than other developing economies, which may explain why many sectors are not internationally competitive. Due to the small amount of infrastructure investments in the Brazilian economy, an equity fund for infrastructure is extremely important to enhance and foster greenfield investments.

The initial idea for how this fund should be structured consists in a composition the NDB's participation shared with 2 other financial institutions, such as BNDES and Banco do Brasil. The NDB could contribute with 1/3 of the total resources, while BNDES and/or Banco do Brasil could contribute with 2/3.

A central aspect of this proposal is for the fund to be managed by a private recognized financial institution. In this structure, the institution responsible for the financial management could also contribute with 10% of this fund's equity resources.

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

The main advantages of this structure are the following:

- There is no need for parliamentary approval such as creating representation in the country;
- The manager could be a private institution with experience in infrastructure funds under commercial guidelines;
- The nature of this fund would be private;
- The institution responsible for the fund's management would contribute with 10% of the equity; and
- After initial contribution(s), the fund would have a sustainable structure to earn returns upon project completion and continued support for new projects.

Benefits: Increase infrastructure investments, maximize private investments and crowding between private and public sources.



MANUFACTURING

18. ADOPT A WELL-TO-WHEEL METHODOLOGY TO EVALUATE ENERGY EFFICIENCY DEVELOPMENT AND PERFORMANCE TOWARDS ELECTROMOBILITY SOLUTIONS FROM EACH OF THE BRICS ECONOMIES AND EXCHANGE INFORMATION ON REGULATORY MODELS AND PUBLIC POLICIES TO PROMOTE, DEVELOP AND ENHANCE ELECTROMOBILITY ECO-SYSTEMS IN BRICS COUNTRIES

Context: Following a worldwide trend, BRICS countries should look for cleaner and more efficient mobility alternatives in order to reduce greenhouse gas emissions and develop more sustainable economic activities. In the case of Brazil, hybrid and electric vehicles still account for a very small portion of the total fleet, although there are public policies aimed at stimulating wider use of these vehicles already in place.

However, technical and regulatory challenges, as well as overall impacts on the national energy sector, limit greater insertion of these vehicles in the Brazilian fleet.

Regarding local initiatives, Brazil has some public policies focused on the development of electromobility projects, mainly developed at state and municipal levels, since each state and borough will consider and adopt solutions according to their realities, advantages and constraints, which in turn are imposed by cultural, economic, infrastructural, environmental, and industrial contexts.

Despite those initiatives and advances, which were mainly developed in partnership with the private sector, when it comes to electric vehicles implementation, Brazil still needs a national mobility plan in order to propose innovation measures that will foster new technologies in the automotive sector and increase mobility alternatives.

Additionally, Brazil presents great opportunities for the development of electric vehicles, as it has a clean energy matrix and potential for solar photovoltaic energy generation. Also, lithium resources and other important minerals for electromobility are available in the Brazilian territory.

Therefore, the application of a methodological approach, such as the “well-to-wheel” methodology, that proposes full-cycle energy efficiency evaluation criteria, is an interesting alternative for the BRICS. It considers each economy’s different characteristics and stages of development, offering isonomic reference parameters.

Benefits: Promote equality in the process of development and analysis of electromobility ecosystem implementation in the BRICS countries. Expedite the development and diffusion of mobility solutions that reduce environmental impacts caused by CO₂ emissions.

19. EXCHANGE INFORMATION AND BEST PRACTICES BETWEEN BRICS COUNTRIES REGARDING WASTE MANAGEMENT. EMPHASIZE ACCESS TO NDB FUNDING TOOLS FOR PROJECTS OF THIS NATURE

Context: Given the environmental, social and economic importance of waste management to BRICS countries, emphasis should be given to waste to energy solutions, plastic chemical recycling and bioplastic technologies and projects of this nature that offer alternatives to tackle the global pollution crisis.

Along with the constant growth in population and land limitations, the challenge is to find new and creative ways to minimize natural resource abuse. Therefore, local authorities encouraged by legislation- have created regulations for waste management, aiming to reduce the amount of waste disposed in landfills through selective collection, reuse recycling and recovery of various solid waste types.

As solid waste management is still very costly for some BRICS countries, initiatives should come from the public sector to foster and fund projects.

Benefits: Contribute to the green economy and develop business opportunities.

REGIONAL AVIATION

20. INTRODUCTION OF A BRICS COUNTRIES' INVENTORY OF INTERNATIONAL BEST PRACTICES IN AVIATION, PRODUCTS AND SERVICES

Context: As result of the BBC meetings in Johannesburg in April 2019 (Projects 2, 3 and 4) and the Regional Aviation Working Group conference call on October 2019, the Working Group has put forward four key projects to be developed: 1) an inventory of best practices in aviation products and services; 2) skills and qualifications development; 3) B2B supply chain development; and 4) connectivity – route network: direct flights between BRICS countries.

For its initial steps, the group will begin project implementation by gathering the inventory of international best practices of products and services available in each of the five countries. The inventory's format will be proposed by South Africa.

Each BRICS country in recent years has experienced success cases that in different fields, aided in air transportation services expansion. In this scenario, BRICS countries have the potential to cooperate and develop an Inventory of Best Practices in Aviation, which can function as a guide for areas of cooperation between the countries.

This inventory will provide information on benchmark cases and policies that could assist in expanding air connectivity for the benefit of passenger and cargo transportation between the BRICS countries.

The inventory could also establish a basis for training and technical cooperation in the fields of airport infrastructure, air traffic management, aviation regulation, expansion of air route networks, environmental sustainability, as well as other relevant initiatives to improve connectivity.

This initiative is expected to be led by the BBC Aviation Working Group in close cooperation by each BRICS country's responsible aviation government bodies.

Benefits: An Inventory of Best Practices in Aviation would increase cooperation among BRICS countries and enhance public policies for developing and making air transportation more affordable, while improving its safety and sustainability.

SKILLS DEVELOPMENT

21. ASSURE FINANCIAL MEANS TO PROMOTE TECHNICAL COOPERATION PROJECTS AMONGST BRICS COUNTRIES

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

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

In order to enable technical cooperation joint projects it is vital that technical and vocational education institutions have access to funds, financial aid, and governmental investment for technical cooperation execution.

Benefits: Improve the professional and technical level of the labor force, tackle Industry 4.0 dynamics as emerging countries that all face similar social and economic development challenges, and define technical and educational trends as a united group of emerging countries.

22. ADOPT A COMMON CURRICULA BASIS FOR FUTURE SKILLS DEVELOPMENT

Context: The supply of technical and vocational education that enhance future skills must be updated in each country according to market needs and advanced manufacturing and Industry 4.0 environments.

The continuous loop connecting physical and digital environments will frame jobs of the future. Digitalization and automation are the salient dimensions of the process we have been calling the Fourth Industrial Revolution. There are no borders to this phenomenon and it will affect industries all over the globe.

Nevertheless, Industry 4.0 impacts each country and each sector in different ways. Economic dimensions, such as the integration to global value chains or innovation systems as well as social and political factors like regulation, education, and accessibility to the work market, will indicate whether and how countries and their industries will jump into the Fourth Industrial Revolution.

Therefore, developing human capacity and providing the necessary skills, and allowing the working age population to access the job market should be a policy priority for BRICS countries. BRICS countries should exchange best practices and lessons-learned at the future skills curricula development and should be united at biddings for public-private partnerships, in order to foster the importance of future skills trends and framework in BRICS countries.

Benefits: Improve future skills curricula development (for instance, Drone Operating, Mobile Robotics, Internet of Things, Cyber Security, Big Data, Artificial Intelligence, and Reverse Engineering, Blockchain-based solutions, Mobile Application Development, VR\AR, Rapid Prototyping and Industrial Design), tackle Industry 4.0 challenges and future skills development needs, and set technical and vocational educational trends envisioning future skills as a united group of emerging countries.

23. CREATE A LEGAL FRAMEWORK AND THE FINANCIAL MEANS TO PROMOTE BRICS SKILLS CHALLENGES ON A YEARLY BASIS

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

The BRICS Challenges (a technical and vocational education competition for the youth) is an important moment for recognizing how important skills development and technical and vocational education are in the development agenda of BRICS countries.

To better identify and manage the acquisition of required knowledge and skills, and to prevent the emergence of skills gaps and face the Industry 4.0 context with excellence, the promotion of the skills development agenda through the annual BRICS Challenges event is very important.

In regard to this matter, it is necessary to gather public and private attention for the importance of skills development, to face the Industry 4.0 dynamics as emerging countries with similar challenges of social and economic development, and to define technical and educational trends on future skills as a united group of emerging countries.

Benefits: Benchmarking of skills amongst BRICS countries; higher quality of skills development; technical and vocational education updated according to market needs and new skills required by Industry 4.0.

4.2 ISSUES UNDER DISCUSSION



AGRIBUSINESS

- BRICS quality seal and BRICS coffee future market exchange.
- Models of Incubation for Agri start-ups.
- Water Usage and Regulation Systems.
- Soil Fertility Management.
- Mutual Recognition of Forest Certification.



DEREGULATION

- Adopt a work plan for establishing a Legal Exchange and Service Platform.



INFRASTRUCTURE

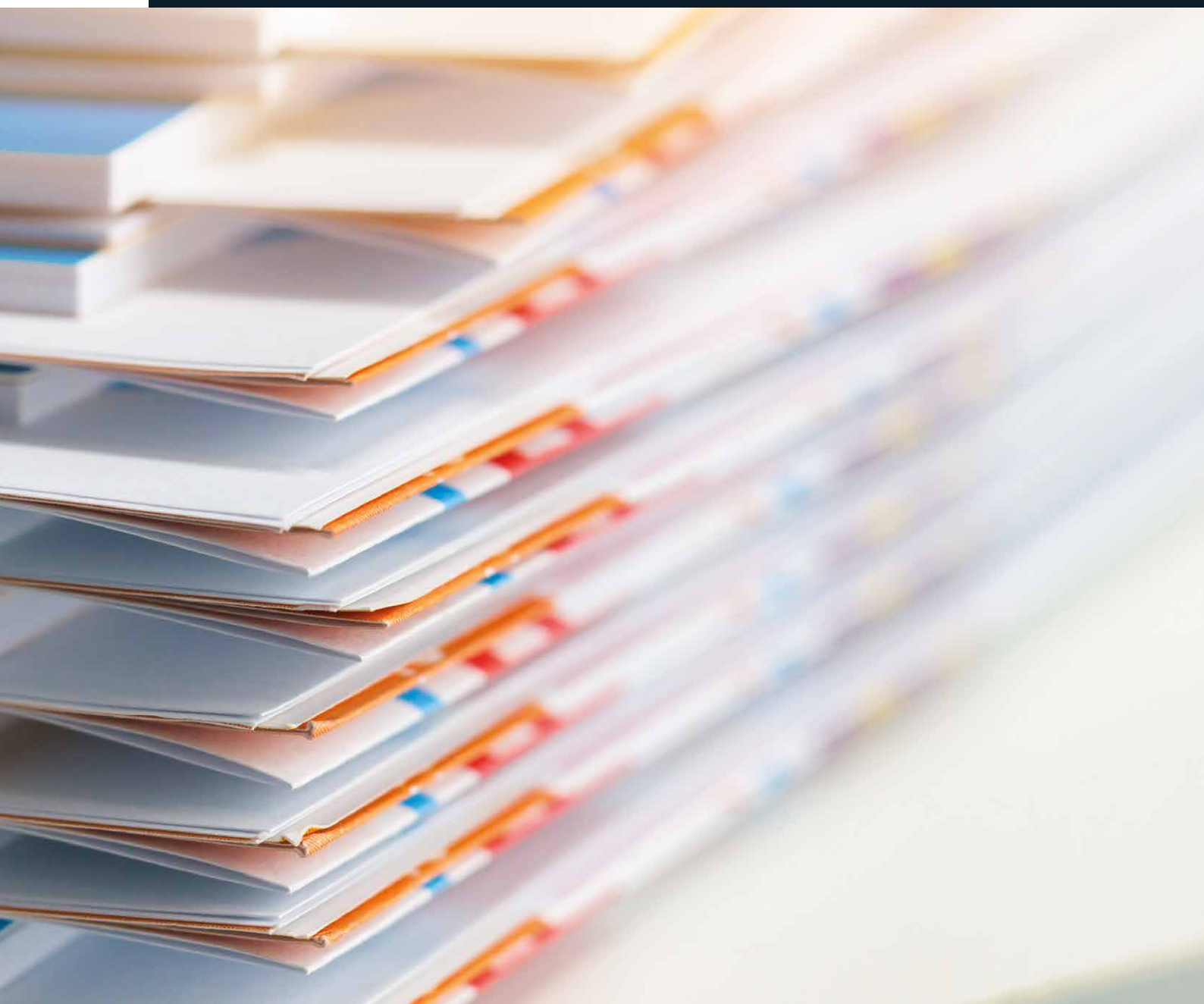
- Proper prioritization of projects to enable sustainable development goals.
- To ensure the sustainable development of the Blue Economy.



FINANCIAL SERVICES

- BRICS Rating Agency.
- Extend BRICS Pay into a union of e-wallet apps of BRICS countries and enable BRICS Pay to settle payments in BRICS currencies.
- Discussion of the BRICS Pay commercial e-wallet project.
- NIPS BRICS Pay Project.
- Create the BRICS Credit Rating Agencies Alliance.
- Green Finance.
- SMEs Funding.
- BRICS Insurance Connect.
- BRICS Re-insurance Pool.
- Establishing SME Business-matching platforms by holding face-to-face business-matching events on a regular basis.

5. ANNEX



ANNEX I

BRICS BUSINESS COUNCIL TERMS OF REGULATION

Article 1 – These Bylaws set out the objectives of the BRICS Business Council, which is composed of the business communities of Brazil, Russia, India, China and South Africa, and set out the procedures for conducting the work of the National Chapters of the Council.

OBJECTIVES OF THE BUSINESS COUNCIL

Article 2 – The BRICS Business Council is a consultative mechanism of Heads of State and Government that discusses and pinpoints priorities for strengthening and promoting the economic, trade and investment relationship between the communities of the five countries. The responsibilities of the Business Council are the following:

- I. To identify problems and bottleneck in relation to greater economic trade and investment ties amongst the BRICS countries and to advise the Heads of State and Governments on policies, measures and practices to promote the economic integration amongst the BRICS countries;
- II. To identify specific areas with business, trade and investment potential and to promote the relationship between the BRICS business communities.

BOARD MEMBERSHIP

Article 3 – The BRICS Business Council will be made up of 25 members, 5 members from each country representing different sectors of industries and services. Each National Chapter will have one Chairperson and one executive secretariat.

WORKING GROUPS

Article 4 – Working Groups are an integral part of the structure of the Business Council and act as an advisory body, formulating issue specific recommendations, that after evaluation and approval by the BRICS Business Council, will be included in the Council's Annual Report.

Article 5 – The working areas of the Working Groups are: Agribusiness; Skills Development; Deregulation; Energy and Green Economy; Infrastructure; Manufacturing; Financial Services; Regional Aviation and Digital Economy.

Article 6 – In order to maintain the council efficiency, new topics should preferably be discussed within the existing Working Groups. When deciding to create a new working group, an existing group may be deactivated by the approval of the Council Members unanimously.

Article 7 – Only Chairpersons of the national parts of Working Groups are authorized to make any official deliverables for the Annual Report, as well as for the minutes of teleconferences, intermediate and plenary meetings on behalf of working group national chapter of BRICS Business Council.

Article 8 – Inactive Working Groups or those without scheduled propositions for over a period of one year may be terminated by the Council

BRICS BUSINESS COUNCIL EVENTS

Article 9 – The BRICS Business Council will hold its annual plenary meeting in the days leading up to the BRICS Summit. A Midterm Meeting should be organized by the shift presidency at a convenient date.

Article 10 – At the annual plenary session, the participation of the Council members is recommended. At the Midterm Meeting the participation of the Sherpas of the Council members is allowed.

Article 11 – CEOs of companies and other business enterprises whose inclusion and involvement in the deliberations of the BRICS Business Council is considered valuable may be invited by the National Chapters to attend the meetings of the BRICS Business Council.

Article 12 – The Working groups will hold their meetings on the same occasions as the BRICS Business Council

Article 13 – The Business Council will ensure that at every annual BRICS Heads of State Summit, the BRICS Business Forum will take place to discuss the promotion of trade, business and investments ties amongst the BRICS countries.

RECOMMENDATIONS TO HEADS OF STATE AND GOVERNMENT

Article 14 – The shift secretariat will compile the proposals reached by consensus in the working groups, and submit them to the Business Council members for due consideration.

Article 15 – Only proposals adopted unanimously between the National Chapters will be incorporated into the Council Annual Report.

Article 16 – The final version of the Council Annual Report will be printed after the annual plenary meeting and will be delivered to the Heads of State and Government during the BRICS Summit.

Article 17 – The Council will commit to drawing up the Council's Annual Report with a suggestion of 10 recommendations from the working groups.

ANNUAL REPORT

Article 18 – The Annual Report should be succinct, with a maximum of 30 pages, and will have the following structure:

- Foreword
- 1. Recommendations for the *[sitting name]* Summit
- 2. BRICS Business Council (BBC)
- 3. BBC Members
- 4. BBC Working Groups Stocktaking
 - 4.1. Issues with consensus
 - 4.2. Issues under discussion
- 5. Annexes

Article 19 – Only the signed Annual Report Version can be used on the official or public occasions

The Terms of Regulation may be modified by joint action of the BRICS Business Council at any time.

Adopted on November 13, 2019, in Brasilia

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Federative Republic of Brazil

Mr. Sergey Katyrin
Russian Federation

Mr. Onkar Kanwar
Republic of India

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BRICS
Business Council

Business Strategy

Innovation
Branding
Solution
Marketing
Analysis
Ideas
Success
Management



E-MAIL



SECURITY



ONLINE SHOPPING



GLOBAL



NETWORK



SEARCH

WWW.

@SYMBOL



WORKSTATION