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## 2018 BRICS Johannesburg Summit Final Compliance Report

27 July 2018 to 15 October 2019

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## Preface

The BRICS Research Group has been assessing progress made by the BRICS members in implementing commitments their leaders make at each summit since the Sanya 2011 meeting. These reports monitor each member's efforts to implement a carefully chosen selection of the many commitments produced at each summit. They are offered to the general public and to policy makers, academics, civil society, the media and interested citizens around the world in an effort to make the BRICS's work more transparent, accessible and effective, and to provide scientific data to enable the meaningful analysis of the causes of compliance and the impact of this important informal international institution. Previous reports are available at the BRICS Information Centre at <http://www.brics.utoronto.ca/compliance> and at the Center for International Institutions Research of the Russian Academy of National Economy and Public Administration available at <http://www.ranepa.ru/eng/ciir-ranepa/research-areas/brics/analytics>.

This final report analyses compliance performance by BRICS countries with 10 priority commitments selected from the total of 73 commitments made by the leaders at the Johannesburg Summit on 25-27 July 2018. The report covers actions between 27 July 2018 and 1 October 2019.

The BRICS Research Group relies on publicly available information, documentation and media reports for its assessments. To ensure accuracy, comprehensiveness and integrity, we encourage comments from stakeholders. Indeed, scores can be recalibrated if new material becomes available. All feedback remains anonymous. Responsibility for the contents of this report lies exclusively with the authors and analysts of the BRICS Research Group.

The final report will be released on the eve of the Johannesburg Summit.

John Kirton and Marina Larionova  
Co-directors, BRICS Research Group

## Introduction and Summary

The 2018 BRICS Johannesburg Final Compliance Report, prepared by the BRICS Research Group (based at Trinity College in the University of Toronto and the Center for International Institutions Research of the Russian Presidential Academy of National Economy and Public Administration [RANEPA]), analyses compliance performance by BRICS countries with 10 selected priority commitments drawn from the total of 73 commitments made by the leaders at the Johannesburg Summit on 25-27 July 2018. The report covers actions taken by the BRICS countries during the period from 28 July 2018 to 1 October 2019.

## Methodology and Scoring System

This report draws on the methodology developed by the G7 Research Group, which has been monitoring G7/8 compliance since 1996. The same methodology has been adopted for monitoring G20 performance since 2008. The use of this time-tested methodology provides for cross-institutional, cross-member and cross-issue consistency and thus allows compatibility and comparability of the compliance performance by different summit institutions and establishes a foundation for evidence-based assessment of the effectiveness of these institutions.<sup>1</sup> The methodology uses a scale from -1 to +1, where +1 indicates full compliance with the stated commitment, -1 indicates a failure to comply or action taken that is directly opposite to the stated goal of the commitment, and 0 indicates partial compliance or work in progress, such as initiatives that have been launched but are not yet near completion and whose final results can therefore not be assessed. Each member receives a score of -1, 0 or +1 for each commitment. For convenience, the scientific scores reported in the tables in this summary have been converted to percentages, where -1 equals 0% and +1 equals 100%.<sup>2</sup>

## The Breakdown of Commitments

The commitments of the BRICS, as a group of major emerging economies, fall mainly into the areas relevant for the five countries (see Table 1). In particular, members' priorities for stimulating domestic economic recovery are reflected in the large share of trade and development commitments. Decisions on international cooperation and the reform of international institutions, which remain at the core of the BRICS agenda, also constitute a substantial share at about 10% of the total. At the same time, each presidency strives to incorporate its own priorities in the agenda and can thus substantially influence the breakdown of commitments. For instance, decisions made during the Russian presidency in 2009 focused mainly on energy and agriculture. In 2010 Brasilia retained energy as a top priority and also added development issues to the agenda. The 2011 summit in China shifted toward climate change. The 2012 Indian and 2013 South African presidencies considered regional security as a priority, with the Durban Summit also addressing development issues including infrastructure development and regional integration.

Brazil's 2014 presidency retained the BRICS focus on trade, international cooperation, development and finance, while for the first time paying increased attention to socioeconomic issues. Russia's 2015 presidency enhanced cooperation with other international institutions and agreed on specific measures in the areas of food and agriculture, ICT and crime and corruption. India's presidency

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<sup>1</sup> Informal summity institutions are defined as international institutions with limited membership, relatively low bureaucracy and reliance on open, flexible and voluntary approaches. Regular meetings of the heads of states and governments who engage on a wide range of international, regional and domestic politics stand at the pinnacle of such international arrangements, which involve many actors operating according to established procedures on two levels: domestic and international. Commitments contained in the collectively agreed documents are not legally-binding but their implementation is stimulated by peer pressure. Among such bodies engaged in global and regional governance are G7/G8, G20, BRICS, APEC and others.

<sup>2</sup> The formula to convert a score into a percentage is  $P=50\times(S+1)$ , where P is the percentage and S is the score.

concentrated on institutionalization of BRICS cooperation and extension of people-to-people contacts, holding about a hundred of various events in different fields, including cultural, scientific and sporting. Chinese presidency of 2017 paid significant attention to the issues of information and communications technology (ICT), regional security, development and support to the least developed countries (LDCs) with special emphasis on Africa.

At Johannesburg, the BRICS leaders focused on the theme of BRICS in Africa. The theme of the summit was “BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution.” The BRICS leaders focused on reinforcing the current multilateral framework and voiced their support for multilateralism in a number of commitments. The declaration also focused on BRICS cooperation in peace and security, particularly in regional security issues related to Syria, Afghanistan, and North Korea.

In the economic sphere, BRICS leaders made several commitments for economic cooperation, with a focus on information and communications technology, skills development, open trade and the digital economy. In terms of development, BRICS leaders focused on infrastructure development in Africa, in particular with respect to addressing the infrastructure financing deficit. In addition, the leaders agreed to cooperate in areas such as quota review for the International Monetary Fund, international currency, anti-corruption and international taxation.

**Table 1: Distribution of BRICS Commitments across Issue Areas, 2009-2018**

Issue Area	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Energy	5	9	1	2					6	2
Finance		3	1			6	6	5	9	5
Climate change		1	6	3	1	1	1	1	3	
Macroeconomic policy		1	5	1	5	7	6	4	4	3
Trade		3	5	9	4	4	5	2	6	4
International cooperation	1	2	5	3	6	8	30	7	21	18
Socioeconomic	1	1	3	2		7	5	2		2
Development	1	5	1	3	10	4	4	2	11	6
Natural disasters	1	1	1							
Food and agriculture	3		1	1		1	17		5	3
ICT			2			1	17	3	12	3
Science and education	1	1	1			2	5			
Health			1	1		1	6	2	6	1
Human rights			1		1	2	5		2	
Accountability			1							
Regional security	1		1	4	8	6	6	4	12	7
Terrorism			1	1	2	2	1	4	7	3
Culture		1				3	1	2	3	
Sport		1								
IFI reform	1	2	1	2	9	8	3	2	5	2
Non-proliferation					1			1	2	
Crime and corruption						4	10	3	8	6
Environment						1	1	1	3	3
Tourism							1			1
International taxation										4
Total	15	31	38	32	47	68	130	45	125	73

Note: ICT = information and communications technology; IFI = international financial institutions.

## Selection of Commitments

For each compliance cycle (that is, the period between summits), the research team selects commitments that reflect the breadth of the BRICS agenda and the priorities of the summit's host, while balancing the selection to allow for comparison with past and future summits.<sup>3</sup> The selection also takes into account the breakdown of issue areas and the proportion of commitments in each one. The primary criteria for selecting a priority commitment for assessment are the comprehensiveness and relevance to the summit, the BRICS and the world. Selected commitments must meet secondary criteria such as measurability and ability to comply within a year. The tertiary criteria include significance, as identified by relevant stakeholders in the host country and scientific teams. Of the total of 73 commitments made at the 2018 Johannesburg Summit, the BRICS Research Group has selected 10 priority commitments for its compliance assessment (see Table 2).

**Table 2: 2018 BRICS Johannesburg Summit Priority Commitments**

	Issue Area	Commitment
1	Trade: Multilateral trading system	We, therefore, agree to constructively engage in further developing the current legal framework of the multilateral trading system within the WTO, taking into consideration the concerns and interests of all WTO members, including in particular the developing members.
2	Jobs: Fourth Industrial Revolution	We strongly acknowledge that skills development is critical to addressing the emerging mismatch between the new skills demanded by an increasingly technology-and knowledge-driven global economy and the older skill set of many workers. The pace, scale and scope of present-day economic change makes it that more challenging] In this regard, we support measures including policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation and Reduction through Skills, to further facilitate vocational training, lifelong learning and the training that is relevant to the fast-changing demand of growing economies and world of work.
3	Crime and corruption: Extradition and asset recovery	Subject to our domestic legal systems we will cooperate in anti-corruption law enforcement, extradition of fugitives, economic and corruption offenders and repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.
4	Development: Infrastructure in Africa	We therefore reaffirm our support for sustainable infrastructure development in Africa, including addressing the infrastructure financing deficit
5	Health: vaccines	We commit to strengthening the coordination and cooperation on vaccine research and development within BRICS countries.
6	Tax: Base erosion and profit shifting	[We will continue our commitment to] ... to ensure the fairness of the international tax system particularly towards the prevention of base erosion and shifting of profits.
7	Financial regulation: Market integration	We reaffirm our commitment to facilitate financial market integration through promoting the network of financial institutions and the coverage of financial services within BRICS countries, subject to each country's existing regulatory framework and WTO GATS obligations.

<sup>3</sup> Guidelines for choosing priority commitments, as well as other applicable considerations, are available in the Compliance Coding Manual.

8	Energy: Source supply diversification	We reaffirm that the diversification of energy supply sources, including renewable and low carbon energy sources, investments in energy and energy infrastructure, energy industry and market development and intra-BRICS collaboration for access to primary energy sources will continue to underpin our energy security.
9	Macroeconomic policy: Global value chains	We encourage measures that support greater participation, value addition and upward mobility in Global Value Chains for our firms, particularly in industry and agriculture, especially Micro, Small and Medium Enterprises (MSMEs), including through the preservation of policy space to promote industrial development.
10	Regional security: Syria	We reaffirm our commitment for a political resolution of the conflict in Syria, through an inclusive “Syrian-led, Syrian-owned” political process that safeguards the state sovereignty, independence and territorial integrity of Syria, in pursuance of United Nations Security Council Resolution 2254 (2015) and taking into account the result of the Congress of the Syrian National Dialogue in Sochi.

### Compliance Scores

Compliance for the final Johannesburg Summit report is 85% (see Table 3). The highest compliance scores (100%) were achieved for the commitments on health (vaccines research), international taxation (BEPS implementation), energy (diversification of supply sources) and macroeconomic policy (global value chains). They are followed by the commitments on jobs (Fourth Industrial Revolution) and financial regulation (market integration) with 90% compliance score. The compliance level of 80% was registered for the commitments on trade (developing multilateral trading system) and crime and corruption (extradition and asset recovery). For the commitments on development (infrastructure in Africa) BRICS members showed compliance of 70%. The lowest final compliance score was registered for the commitment on regional security at 40%.

By country, China has the highest overall compliance score of 95%. It achieved full compliance with all of its 10 assessed commitments with the exception of a partial compliance on regional security. The second highest ranking member is India with an overall average score of 90%, followed by Russia with an overall compliance score of 85%.

**Table 3: 2018 BRICS Johannesburg Summit Final Compliance Scores**

	Issue Areas	Brazil	Russia	India	China	South Africa	Average
1	Trade: Multilateral trading system	0	+1	0	+1	+1	+0.60 80%
2	Jobs: Fourth Industrial Revolution	+1	0	+1	+1	+1	+0.80 90%
3	Crime and corruption: Extradition and asset recovery	0	0	+1	+1	+1	+0.60 80%
4	Development: Infrastructure in Africa	0	0	+1	+1	0	+0.40 70%
5	Health: Vaccines	+1	+1	+1	+1	+1	+1.00 100%
6	Tax: Base erosion and profit shifting	+1	+1	+1	+1	+1	+1.00 100%
7	Financial regulation: Market integration	+1	+1	+1	+1	0	+0.80 90%
8	Energy: Supply source diversification	+1	+1	+1	+1	+1	+1.00 100%
9	Macroeconomic policy: Global value chains	+1	+1	+1	+1	+1	+1.00 100%
10	Regional security: Syria	-1	+1	0	0	-1	-0.20 40%
	Average	+0.50 75%	+0.70 85%	+0.80 90%	+0.90 95%	+0.60 80%	+0.70 85%

### **Compliance Trends**

This is the eighth BRICS compliance report produced by the BRICS Research Group. The first compliance report was produced for the 2011 Sanya Summit, with an overall average compliance of 74%. The average compliance dropped to 64% in the 2012 Delhi Summit and climbed back up to 74% for the 2013 Durban Summit. The 2014 Fortaleza Summit achieved a score of 70%, followed by the Ufa Summit which achieved an overall score of 78%. BRICS members demonstrated the highest compliance score for the Goa Summit at 89%. The final compliance score for Xiamen summit dropped to 79%. The final overall average compliance score for the Johannesburg summit is 85%, making it the second highest overall after the Goa Summit.

## 1. Trade: Multilateral Trading System

2018-47: “We, therefore, agree to constructively engage in further developing the current legal framework of the multilateral trading system within the WTO, taking into consideration the concerns and interests of all WTO members, including in particular the developing members.”

*BRICS Johannesburg Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Brazil		0	
Russia			+1
India		0	
China			+1
South Africa			+1
Average		+0.60	

### Background

The multilateral trade system under the World Trade Organization (WTO) consists of agreements negotiated and signed by majority of the world's trading countries as the legal ground rules for international commerce. At the same time, the WTO agreements contain special provision for developing countries including longer periods to implement, technician support and measures to increase their trade opportunities.<sup>4</sup>

At the 2016 Goa Summit, BRICS members emphasized that they operate on the basis of an inclusive multilateral trading system. The members aimed to expand trade and they suggested that economic expansion can be achieved by enhancing trade and investment relations. They acknowledged the importance of the first BRICS Trade Fair in New Delhi, as an important step in strengthening trade among BRICS countries. Members also acknowledged the success of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), held in Johannesburg, South Africa, which was important in facilitating the regulation of international trade in endangered species. The BRICS members emphasized their support for the multilateral trading system and the WTO, as being an inclusive trading system. They encourage members to abide by the multilateral trading system under the WTO and in compatibility with the rules of the WTO. Also, members stressed the importance of bilateral and regional trade agreements as enhancing the multilateral trading system. In addition, they pledged to work with G20 members to strengthen trade and improve global governance.<sup>5</sup>

At the 2017 Xiamen Summit, BRICS members emphasized the importance of committing to trade and pledged to enhance trade by expanding trade and investment. Members also pledged to cooperate, to assist the integration of financial markets in order to create financial integration. They acknowledged the success of the Customs Administration in helping to facilitate trade and encouraged the BRICS Interbank Cooperation Mechanism to continue supporting trade cooperation. In addition, members agreed to enhance cooperation of agricultural trade and pledged to strengthen cooperation with Africa to address the issue of illegal wildlife trade. BRICS members emphasized the importance of the World Trade Organization. They want members to continue to follow the framework of the WTO and the obligations that it outlines to foster more cooperation and to

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<sup>4</sup> The WTO in brief, World Trade Organization. Access Date: 12 January 2019.

[https://www.wto.org/english/res\\_e/dolload\\_e/inbr\\_e.pdf](https://www.wto.org/english/res_e/dolload_e/inbr_e.pdf)

<sup>5</sup> BRICS Goa declaration, BRICS Information Center 16 October 2016. Access Date: 12 January 2019.

<http://brics.utoronto.ca/docs/161016-goa.html>

strengthen the WTO. Overall, BRICS members emphasized an “inclusive multilateral trading system as embodied in the WTO.”<sup>6</sup>

At the 2018 Johannesburg Summit, BRICS members agreed that trade must be sustained, as it is an important source of economic growth. In order to maintain the growth of global trade, BRICS members agreed that it is important for there to be favourable external environments to support that. In addition, they emphasized the importance for African countries and the African Union to sign the African Continental Free Trade Area (AfCFTA). Members believe that the AfCFTA is important for economic integration and to generate intra-African trade, which would help to resolve socioeconomic challenges in Africa. In addition, the BRICS members reaffirmed their commitment to an inclusive multilateral trading system. They agreed to strengthen multilateral institutions of global governance, in order to successfully overcome global challenges. Members also acknowledged the significance of regional initiatives, and how they have contributed to the support of the multilateral system. BRICS members also emphasized the importance of the World Trade Organization, and they encourage WTO members to continue to follow the rules of the WTO, in order to maintain the commitments which, they have made in regards to the multilateral trading system. As a result, members acknowledged the significance of continuing to develop the legal framework of the multilateral trading system in the WTO, by considering all of the interests and concerns of the WTO members and attempt to address them.<sup>7</sup>

### **Commitment Features**

*Constructively*: in a way that has or is intended to have a useful or beneficial purpose

*Engage*: participate or become involved in.

*Further*: help the progress or development of (something); promote

*Developing*: when a commitment states it will develop, it should be interpreted to mean that a new initiative will be established in the area. It should not apply to old initiatives

*Current legal framework of the multilateral trading system within the WTO*: The WTO legal framework consists of numerous bodies and agreements. The highest level of decision making is conducted by the Ministerial conference, consisting of representatives from member nations or their customs unions, who decide on agreements through consensus. Below this is the General Council, which meets on any given occasion with the same composition, but as one of the three bodies with distinct names, depending on the issue at hand. Specifically, these are the General Council, Dispute Settlement Body, and Trade Policy Review Body. The first of these functions as a representative body for the Ministerial Conference, while the latter two arbitrate member disputes and analyze the trade policies of members, respectively. At the level beneath the General Council stands the Goods Council, Services Council, and the Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS) Council. These groups each contain representatives from member nations and negotiate agreements on their specific issues. They are further sub-divided into numerous committees focusing on specific areas such as agriculture, textiles import licensing, and so forth to delegate specific tasks.<sup>8</sup>

These bodies operate by a set of agreements on numerous issues, collectively known as the Uruguay Agreement, and numerous supplemental agreements that are part of the “built-in agenda.” The latter

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<sup>6</sup> BRICS Leaders Xiamen Declaration, BRICS Information Centre, September 4, 2017. Access Date: 12 January 2019. <http://brics.utoronto.ca/docs/170904-xiamen.html>

<sup>7</sup> Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution, BRICS Information Centre, 26 July 2018. Access Date: 12 January 2019. <http://brics.utoronto.ca/docs/180726-johannesburg.html>

<sup>8</sup> Understanding the WTO: The Organization, World Trade Organization (Geneva) 2018. Access Date: 23 October 2018. [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org1\\_e.htm#ministerial](https://www.wto.org/english/thewto_e/whatis_e/tif_e/org1_e.htm#ministerial)

are used for issues that were deemed important for future review by the WTO during agreement rounds. Finally, the WTO sets bands for trade barriers such as tariffs known as schedules.<sup>9</sup>

*Concerns and interests of all WTO members:* To further develop the current legal framework of the multilateral trading system within the WTO, BRICS members must consider the concerns and interests of all WTO members, in particular, those of developing members. Members of the WTO are interested in the promotion of free and fair trade to increase growth and development. Specifically, members aim to promote free trade via multilateral discussions that seek to lower barriers to trade such as tariffs, quotas, and import bans, and discourage unfair trade practices such as dumping and discriminatory terms of trade. Free trade negotiations have also expanded to include duty-free barriers on goods, such as sanctions and export restraints, and international standards for services and intellectual property.<sup>10</sup>

Fairness in trade focuses on mutually beneficial relationships that facilitate economic growth. This involves upholding the WTO's principle of decision by consensus amongst the WTO members by giving all a say in transparent and inclusive multilateral negotiations, so that a compromise that adequately takes into account all members' interests can be reached.<sup>11</sup>

*Concerns and interests of developing country members of the WTO:* According to the WTO, "developing countries are a highly diverse group often with very different views and concerns." In general, the WTO deals with the special needs of developing countries in three ways:

1. The WTO agreements contain special provisions on developing countries
2. The Committee on Trade and Development is the main body focusing on work in this area in the WTO, with some others dealing with specific topics such as trade and debt, and technology transfer
3. The WTO Secretariat provides technical assistance (mainly training of various kinds) for developing countries.<sup>12</sup>

In the Johannesburg Declaration, BRICS leaders stated that they "acknowledge the need to upkeep WTO's negotiating function" and in this context agreed to constructively engage in further developing the current legal framework of the multilateral trading system, taking into consideration the particular concerns of the developing members. The Doha Round was the latest round of trade negotiations in the WTO and its fundamental objective was to improve the trading prospects of developing countries. Thus, the content of the Doha Round, also known as the Doha Development Agenda, provide the guidelines to determine the particular interests of developing countries in the WTO. In particular, the WTO Agreements contain special provisions that give special rights to developing countries, which include:

- Longer time periods for implementing agreements and commitments;
- Measures to increase trading opportunities for developing countries;
- Provisions requiring all WTO members to safeguard the trade interests of developing countries;

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<sup>9</sup> Backbone of the multilateral trading system: WTO goods schedules, World Trade Organization (Geneva) 27 July 2018. Access Date: 23 October 2018. [https://www.wto.org/english/news\\_e/news17\\_e/mark\\_27jul17\\_e.pdf](https://www.wto.org/english/news_e/news17_e/mark_27jul17_e.pdf)

<sup>10</sup> World Trade Organization (2018), "Principles of the trading system," Access Date: 12 January 2019. [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/fact2\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm)

<sup>11</sup> World Trade Organization (2018), "Whose WTO is it anyway?," Access Date: 12 January 2019. [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org1\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/org1_e.htm)

<sup>12</sup> Understanding the WTO: Development Countries, WTO. Access Date: 12 January 2019. [https://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/dev1\\_e.htm](https://www.wto.org/english/thewto_e/whatis_e/tif_e/dev1_e.htm)

- Support to help developing countries build the capacity to carry out WTO work, handle disputes and implement technical standards;
- Provisions related to least-developed country members.<sup>13</sup>

Thus, full compliance with this commitment requires the BRICS member to not only further develop the current general legal framework of global trade concerning all WTO trading members, but take particular action in strengthening the legal provisions related to the interests of developing countries, outlined above, and in more detail in the Doha Development Agenda.

### Scoring Guidelines

-1	The BRICS member did not constructively engage in further developing the current legal framework of the multilateral trading system within the WTO.
0	The BRICS member constructively engaged in further developing the current legal framework of the multilateral trading system within the WTO but did not take into consideration the particular interests of developing members.
+1	The BRICS member constructively engaged in further developing the current legal framework of the multilateral trading system within the WTO AND took into consideration the particular interests of developing members.

### Brazil: 0

Brazil has partially complied with its commitment to constructively engage in further developing the current legal framework of the multilateral trading system within the World Trade Organization, taking into consideration the particular interests of developing members.

On 24 August 2018, Brazil and Argentina signed a trade agreement to regulate the automobile markets. The agreement reduces trade barriers between the two countries, as it fosters a regulatory alignment with regards to four different technical aspects of automobile production: safety procedures, noise and pollutant gases emissions, energy performance and auto parts.<sup>14</sup>

On 2 November 2018, Brazil and China signed a trade agreement to facilitate the entry of Brazilian food industry to the Chinese market. The agreement emphasizes the importance of food security, and seeks to promote expertise/technical exchanges and training about food regulation for Brazilian companies interested in entering the Chinese market.<sup>15</sup>

On 21 November 2018 Brazil and Chile signed a free trade agreement to boost investments in both countries. There are 24 non-tariff points that include, but are not limited to, trade in service and electronic industries, and sanitary and phytosanitary measures.<sup>16</sup>

On 12 December 2018, Brazil was authorized by the Foreign Trade Chamber to begin discussions with the WTO Dispute Settlement Body on India's sugar export policy. Brazilian national plants have

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<sup>13</sup> Special and differential treatment provisions, WTO Access Date: 12 January 2019.

[https://www.wto.org/english/tratop\\_e/dev\\_e/dev\\_special\\_differential\\_provisions\\_e.htm](https://www.wto.org/english/tratop_e/dev_e/dev_special_differential_provisions_e.htm)

<sup>14</sup> Brazil and Argentina close agreement to regulate automotive sector, Correio Braziliense 8 August 2018. Access Date: 12 January

2019. [https://www.correiobraziliense.com.br/app/noticia/economia/2018/08/24/internas\\_economia,701746/brasil-e-argentina-fecham-acordo-para-regular-setor-automotivo.shtml](https://www.correiobraziliense.com.br/app/noticia/economia/2018/08/24/internas_economia,701746/brasil-e-argentina-fecham-acordo-para-regular-setor-automotivo.shtml)

<sup>15</sup> Brazil and China sign agreement to facilitate food exportation, Apex Brasil 2 November 2018. Access Date: 12 January 2019. <http://www.apexbrasil.com.br/Noticia/BRASIL-E-CHINA-ASSINAM-ACORDO-PARA-FACILITAR-EXPORTACAO-DE-ALIMENTOS>

<sup>16</sup> Agreement between Brazil and Chile encourages trade, investment and tourism, Plateau 21 November 2018. Access date: 19 January 2019. <http://www2.planalto.gov.br/mandatomicheltemer/acompanhe-planalto/noticias/2018/11/acordo-entre-brasil-e-chile-incentiva-comercio-investimentos-e-turismo>

suffered a billion-dollar loss, and Brazil hopes these discussions will result in an improvement in the sugar market, which will also have an impact on China and Thailand.<sup>17</sup>

On 17 December 2018, Brazil, as a member of Mercosur, signed a memorandum of economic and trade cooperation with the Eurasian Economic Union. The memorandum paves the way to increasing trade, economic relations and cooperation. Mercosur includes Brazil, Argentina, Paraguay, Uruguay and Bolivia.<sup>18</sup>

On 17 December 2018, Brazil and Argentina signed a declaration of nuclear business cooperation with the purpose of developing technology and increasing the capacity and competitiveness of the nuclear sector.<sup>19</sup>

On 18 December 2018, Brazil, as a member of Mercosur, signed a document reaffirming its commitment to creating stronger regional ties and increasing regional integration on economic development.<sup>20</sup>

On 21 March 2019, Brazil launched their “O Brasil Quer Maris” (Brazil wants move) initiative in the presence of the WTO Director-General Roberto Azevêdo. “O Brasil Quer Maris” seeks to increase the integration of the Brazilian private sector into world trade.<sup>21</sup>

On 9 September 2019, Brazil and Paraguay announced that they will start negotiations on a bilateral agreement in the automotive sector. Their objective is to find a strategic policy which will benefit both countries.<sup>22</sup>

Brazil constructively engaged in further developing the current legal framework of the multilateral trading system within the WTO but did not take into consideration the particular interests of developing members.

Thus, Brazil receives a score of 0.

*Analysts: Weijia Chen, Jocelyn Donahue and Pedro Melo Trindade*

### **Russia: +1**

Russia has fully complied with its commitment to constructively engaged in further developing the current legal framework of the multilateral trading system within the World Trade Organization (WTO), taking into consideration the particular interests of developing members.

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<sup>17</sup> Brasil tem autorização para consultar OMC sobre incentivo da Índia à exportação de açúcar, Globo (Brasília) 12 December 2018. Access Date: 6 October 2019.  
<https://g1.globo.com/economia/agronegocios/noticia/2018/12/12/brasil-tem-autorizacao-para-consultar-omc-sobre-incentivo-da-india-a-exportacao-de-acucar.ghtml>

<sup>18</sup> Mercosul assina memorando de cooperação com a União Econômica Eurasiática (UEE), Presidência da República Planalto (Brasília) 17 December 2018. Access Date: 6 October 2019.  
<http://www2.planalto.gov.br/mandatomicheltemer/accompanhe-planalto/noticias/2018/12/mercosul-assina-memorando-de-cooperacao-com-a-uniao-economica-eurasiatica-uee>

<sup>19</sup> Brasil e Argentina assinam acordo de cooperação nuclear empresarial, Presidência da República Planalto (Brasília) 17 December 2018. Access Date: 6 October 2019. <http://www2.planalto.gov.br/mandatomicheltemer/accompanhe-planalto/noticias/2018/12/brasil-e-argentina-assinam-acordo-de-cooperacao-nuclear-empresarial>

<sup>20</sup> Mercosul reafirma compromisso com integração regional, Presidência da República Planalto (Brasília) 18 December 2018. Access Date: 6 October 2019. <http://www2.planalto.gov.br/mandatomicheltemer/accompanhe-planalto/noticias/mercosul-reafirma-compromisso-com-integracao-regional>

<sup>21</sup> DG Azevêdo in Brazil: Open trade politics are vital to boost competitiveness, World Trade Organization (São Paulo) 21 March 2019. Access Date: 6 October 2019. [https://www.wto.org/english/news\\_e/news19\\_e/dgra\\_21mar19\\_e.htm](https://www.wto.org/english/news_e/news19_e/dgra_21mar19_e.htm)

<sup>22</sup> Brazil, Paraguay start negotiations on automotive sector agreement, Xinhua (Rio de Janeiro) 10 September 2019. Access Date: 6 October 2019. [http://www.xinhuanet.com/english/2019-09/10/c\\_138381189.htm](http://www.xinhuanet.com/english/2019-09/10/c_138381189.htm)

On 27 September 2018, Russia announced its interest to reform the WTO. Russia's Ministry of Economic Development said there are systematic things that require adjustments, expanding and improving the negotiating and monitoring functions of the WTO, working on barriers, internal regulations and protectionist measures as well as the legal framework of the WTO has gaps that needs to be filled. The Ministry of Economic Development emphasized these technical issues would need to be discussed point by point.<sup>23</sup>

On 5 October 2018, Prime Minister of India Narendra Modi and President of the Russian Federation Vladimir V. Putin met for the 19th annual bilateral summit in New Delhi. Both countries agreed to increase their impact in the regional multilateral organizations such as the BRICS, the G20, the Shanghai Cooperation Organisation (SCO), Russia-India-China meetings and the East Asia Summit (EAS). They also confirmed that they will enhance open, inclusive, transparent, non-discriminatory and rules-based multilateral trade system in order to prevent the fragmentation of international trade relations and trade protectionism.<sup>24</sup>

On 18 October 2018, at the 12th Asia-Europe Meeting (ASEM) Russian Prime Minister Dmitry Medvedev said that Russia supports the WTO but sees that it needs to be improved and upgraded, how the global economy needs clear and transparent rules that can only be achieved by a multilateral trade system. His address also mentions the differences between developed and developing countries seem insurmountable at the present stage but can be overcome. Russia, together with India and the European Union, has submitted proposals to reform the WTO.<sup>25</sup>

On 20 October 2018, ASEM closed with Asia and Europe united to support multilateral trading system based on free and fair rules while recognizing the need to reform the intergovernmental body. Participants at the meeting agreed to fight protectionist measures and unfair trade practice.<sup>26</sup>

On 1 December 2018, Prime Minister Modi and President Putin agreed to strengthen multilateralism and reforming multilateral institutions including the WTO at a trilateral meeting in Buenos Aires. The meeting underscored the benefits of a multilateral trading system and an open world economy for global growth and prosperity. In addition, regular consultations at all levels to promote international and regional peace and economic stability, in order to strengthen cooperation through the BRICS, SCO and EAS mechanisms.<sup>27</sup>

On 14 June 2019, India joined China and Russia at the Shanghai Cooperation Organization (SCO) to call for a “new type” of rules-based multilateral trading system to counter protectionist trade policies by the United States.<sup>28</sup>

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<sup>23</sup> Asia and Europe unite in support for multilateral order, Nikkei Asian review (Tokyo). 20 October 2018. Access Date: 13 January 2019. <https://asia.nikkei.com/Politics/International-Relations/Asia-and-Europe-unite-in-support-for-multilateral-order>.

<sup>24</sup> India-Russia Joint Statement during visit of President of Russia to India, Ministry of External Affairs, Government of India (New Delhi) 5 October 2018. Access date: 9 January 2019. [https://mea.gov.in/bilateral-documents.htm?dtl/30469/IndiaRussia\\_Joint\\_Statement\\_during\\_visit\\_of\\_President\\_of\\_Russia\\_to\\_India\\_October\\_05\\_2018](https://mea.gov.in/bilateral-documents.htm?dtl/30469/IndiaRussia_Joint_Statement_during_visit_of_President_of_Russia_to_India_October_05_2018)

<sup>25</sup> 12th Asia-Europe Meeting (ASEM) summit, The Russian Government (Moscow) 18 October 2018. Access Date: 13 January 2019. <http://government.ru/en/news/34375/>

<sup>26</sup> Press review: Moscow to join WTO reform efforts and Russia, Russian News Agency (Moscow) 27 September 2018. Access Date: 12 January 2019. <http://tass.com/pressreview/1023294>

<sup>27</sup> Russia-India-China agree to strengthen multilateralism including WTO, The Economic Times (New Delhi) 1 December 2018. Access date: 8 January 2019. <https://economictimes.indiatimes.com/news/politics-and-nation/russia-india-china-agree-to-strengthen-multilateralism-including-wto/articleshow/66891203.cms>

<sup>28</sup> India to join China, Russia to slam US protectionism, Deccan Herald (New Delhi) 4 June 2019. Access Date: 30 September 2019. <https://www.deccanherald.com/national/india-to-join-china-russia-to-slam-us-protectionism-738132.html>.

On 4 September 2019, the Prime Minister of the Republic of India met with President Putin for the 20th India-Russia joint summit. At the meeting, both sides agreed to preserve and strengthen the WTO's role by upholding a transparent, non-discriminatory multilateral trade system. Both sides intend to work together to shape a fair and open global economy.<sup>29</sup>

On 17 September 2019, China and Russia agreed to double trade volume and increase cooperation. Russian Prime Minister Dmitry Medvedev said both countries were coordinating on an international stage to advocate that multilateral international rules should be followed.<sup>30</sup>

Russia has engaged in furthering the legal framework within the WTO and considered the interests of developing members.

Thus, Russia receives a score of +1.

*Analysts: Wing Ka Tsang and Aaron Kivell*

### **India: 0**

India has partially complied with its commitment to constructively engage in further developing the current legal framework of the multilateral trading system within the World Trade Organization (WTO), taking into consideration the particular interests of developing members.

On 5 October 2018, India and Russia issued a joint statement reaffirming their partnership and strategic friendship in terms of trade and other major issues. India agreed to continue towards having more trade with Russia by encouraging the progress towards the Green Corridor which would simplify the customs process between the two countries. They also agreed to keep encouraging progress in developing countries by investment and projects in infrastructure and energy. They acknowledged the Johannesburg Summit by agreeing to continue to enhance cooperation within the association and work towards a more “just, fair and multipolar world.”<sup>31</sup>

On 12 October 2018, India and Azerbaijan agreed to take steps to increase bilateral trade and expand business tie ups between the two countries whose trade volumes were far below the potential it could reach.<sup>32</sup>

On 24 October 2018, India plans a trade deal to greatly boost exports to China. This plan involves the trade of approximately 200 products with China and decreasing or completely removing levies and duties on certain products which are still anonymous.<sup>33</sup>

On 25 October 2018, India and Bangladesh signed agreements to enhance their inland and coastal waterway connectivity for better trade and cruise movements. It will allow for the transport of materials like fly ash, cement and other construction items from India to Bangladesh. New ports in

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<sup>29</sup> Joint statement following the 20th India-Russia annual summit "Reaching new heights of cooperation through trust and partnership," The Kremlin (Moscow) 4 September 2019. Access Date: 30 September 2019.

<http://en.kremlin.ru/supplement/5438>

<sup>30</sup> China, Russia aim to double trade volume, intensify cooperation, Xinhua News (Beijing) 18 September 2019. Access Date: 30 September 2019. [http://www.xinhuanet.com/english/2019-09/18/c\\_138399432.htm](http://www.xinhuanet.com/english/2019-09/18/c_138399432.htm)

<sup>31</sup> Government of India, Press Information Bureau, "India-Russia Joint Statement during Visit of President of Russia to India," news release, October 5, 2018, Access Date: accessed January 13, 2019.

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=183982>

<sup>32</sup> "India, Azerbaijan to Take Steps to Boost Bilateral Trade," The Economic Times, October 12, 2018, , accessed January 13, 2019, <https://timesofindia.indiatimes.com/business/india-business/india-azerbaijan-to-take-steps-to-boost-bilateral-trade/articleshow/66184487.cms>

<sup>33</sup> "India Plans Trade Deal to Boost Exports to China," The Economic Times, October 24, 2018, , accessed January 13, 2019, <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-plans-trade-deal-to-boost-exports-to-china/articleshow/66346826.cms>

each of the respective countries were also opened and recognized to be used as hubs for this agreement.<sup>34</sup>

On 4 November 2018, India has agreed to participate in China's International Import expo held on 10 November. With 82 countries and three international organizations participating, it was an opportunity to open up trade with other countries.<sup>35</sup>

On 13 November 2018, India pushed for liberalizing the trade policies of services with 15 countries including the members of the Association of Southeast Asian Nations and Australia, New Zealand, Japan, China and Korea, which could lead to a multilateral pact with all of these countries.<sup>36</sup>

On 22 November 2018, India and Australia signed five pacts to increase business and education links with each other. The pacts include providing better and more services to disabled peoples, increasing bilateral investment, fostering scientific collaboration and innovation in mining and cooperation in agricultural research and education.<sup>37</sup>

On 13 January 2019, Commerce and Industry Minister Suresh Prabhu said that India is "open trade with all the countries, but we also want to develop bilateral trade agreements with many countries."<sup>38</sup> India is open to signing trade deals with countries in Latin America, Africa and Southeast Asia.

On 28 June 2019, on the sidelines of the G20 Osaka summit, India and the other members of BRICS called for a rules-based multilateral trading system to ensure transparency and inclusive international trade amid growing protectionism.<sup>39</sup>

On 22 September 2019, India and the other members of the IBSA bloc of India, Brazil and South Africa reaffirmed their commitment to promoting reforms that encompass inclusive and responsive international governance architecture in all international organizations, including in the United Nations, WTO and G20.<sup>40</sup>

In September 2019, India revealed that it will cut or eliminate tariffs on 80 per cent of products imported from China under the Regional Comprehensive Economic Partnership (RCEP) if signed.

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<sup>34</sup> Government of India, Ministry of Shipping, "India and Bangladesh Sign Agreements for Enhancing Inland and Coastal Waterways Connectivity," news release, October 25, 2018, accessed January 13, 2019, <http://pib.nic.in/newsite/PrintRelease.aspx?relid=184384>

<sup>35</sup> "India to Participate in China's First International Import Expo," The Economic Times, November 04, 2018, , accessed January 13, 2019, <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-to-participate-in-chinas-first-international-import-expo/articleshow/66500863.cms>

<sup>36</sup> "India Looking for Balanced Trade Pact with RCEP Members." The Economic Times. November 13, 2018. Accessed January 14, 2019. <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-looking-for-balanced-trade-pact-with-rcep-members/articleshow/66599134.cms>

<sup>37</sup> "India, Australia Sign 5 Pacts to Boost Business and Education Links," The Economic Times, November 22, 2018, , accessed January 14, 2019, <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-australia-sign-5-pacts-as-ram-nath-kovind-meets-scott-morrison/articleshow/66745867.cms>

<sup>38</sup> Government working on bilateral trade pacts to push exports: Suresh Prabhu. Financial Express (Chennai), 13 January 2019. Accessed: 14 January, 2019. <https://www.financialexpress.com/economy/government-working-on-bilateral-trade-pacts-to-push-exports-says-suresh-prabhu/1442451/>

<sup>39</sup> BRICS Leaders call for Transparent, Inclusive International Trade, The Times of India (Mumbai) 28 June 2019. Access Date: 30 September 2019. <https://timesofindia.indiatimes.com/india/brics-leaders-call-for-transparent-inclusive-international-trade/articleshow/69990855.cms>

<sup>40</sup> India, Brazil, and South Africa call for reforms at international fora, including UN, G20 and WTO, The Economic Times (New York) 27 September 2019. Access Date: 30 September 2019. <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-brazil-south-africa-call-for-reforms-at-international-fora-including-un-g20-and-wto/articleshow/71333993.cms>

The RCEP is a proposed free trade agreement between the ten member states of ASEAN and its six free trade members — China, India, Japan, South Korea, Australia, and New Zealand.<sup>41</sup>

India constructively engaged in further developing the current legal framework of the multilateral trading system within the WTO. However, such efforts did not take into consideration the particular interests of developing members.

Thus, India receives a score of 0.

*Analysts: Nammal Khan, Fahim Mostafa and Sana Rizvi*

### **China: +1**

China has fully complied with its commitment to constructively engage in further developing the current legal framework of the multilateral trading system within the World Trade Organization (WTO) and took into consideration the particular interests of developing country members.

On 27 September 2018, Assistant Minister of Commerce Li Chenggang reaffirmed China's commitment to protecting the multilateral trading system and supporting developing countries' integration into the trading system at the Seventh China Round Table on the future of the multilateral trading system.<sup>42</sup> He emphasized the importance of opposing protectionism and unilateralism, proposed that the WTO provide greater support to developing countries to accelerate their accession to the WTO, and highlighted the necessity of enhancing cooperation on economic globalization platforms like the Belt and Road Initiative.<sup>43</sup>

On 19 October 2018, Premier Li Keqiang reaffirmed China's commitment to protecting multilateralism and building an open global economy at the 12th Asia-Europe Meeting Summit.<sup>44</sup> He stressed that both the Belt and Road Initiative and the China-Europe bilateral investment treaty would assist in promoting international trade and cooperation within the rule-based international order.<sup>45</sup>

On 2 November 2018, Brazil and China signed a trade agreement to facilitate the entry of Brazilian food industry to the Chinese market. The agreement emphasizes the importance of food security, and seeks to promote expertise/technical exchanges and training about food regulation for Brazilian companies interested in entering the Chinese market.<sup>46</sup>

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<sup>41</sup> India may cut duties on 80% of Chinese imports under RCEP, The Economic Times (New York) 28 September 2019. Access Date: 30 September 2019. <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-may-cut-duties-on-80-of-chinese-imports-under-rcep/articleshow/71344526.cms>

<sup>42</sup> Seventh China Round Table Closing Session - Remarks by Mr Li Chennang, Assistant Minister of Commerce, China, World Trade Organization (Astana) 27 September 2018. Access Date: 13 January 2019. [https://www.wto.org/english/thewto\\_e/acc\\_e/crt\\_07\\_closing\\_session\\_mr\\_li\\_china.pdf](https://www.wto.org/english/thewto_e/acc_e/crt_07_closing_session_mr_li_china.pdf)

<sup>43</sup> Seventh China Round Table Closing Session - Remarks by Mr Li Chennang, Assistant Minister of Commerce, China, World Trade Organization (Astana) 27 September 2018. Access Date: 13 January 2019. [https://www.wto.org/english/thewto\\_e/acc\\_e/crt\\_07\\_closing\\_session\\_mr\\_li\\_china.pdf](https://www.wto.org/english/thewto_e/acc_e/crt_07_closing_session_mr_li_china.pdf)

<sup>44</sup> Premier Li Urges Open Economy, State Council of the People's Republic of China (Beijing) 20 October 2018. Access Date: 13 January 2019. [http://english.gov.cn/premier/news/2018/10/20/content\\_281476353948316.htm](http://english.gov.cn/premier/news/2018/10/20/content_281476353948316.htm)

<sup>45</sup> Premier Li Urges Open Economy, State Council of the People's Republic of China (Beijing) 20 October 2018. Access Date: 13 January 2019. [http://english.gov.cn/premier/news/2018/10/20/content\\_281476353948316.htm](http://english.gov.cn/premier/news/2018/10/20/content_281476353948316.htm)

<sup>46</sup> Brazil and China sign agreement to facilitate food exportation, Apex Brasil 2 November 2018. Access Date: 12 January 2019. <http://www.apexbrasil.com.br/Noticia/BRASIL-E-CHINA-ASSINAM-ACORDO-PARA-FACILITAR-EXPORTACAO-DE-ALIMENTOS>

On 5 November 2018, President Xi Jinping reaffirmed China's commitment to protecting the multilateral trading system at the first Chinese International Import Expo.<sup>47</sup> He emphasized the importance of open economies and inclusive development for all countries.<sup>48</sup> He supported the multilateral trading system by announcing the further opening of China's economy via reducing import barriers, increasing market access, protecting the interests of foreign investors, expanding free-trade zones, and promoting multilateral and bilateral cooperation.<sup>49</sup>

On 6 November 2018, Premier Li Keqiang reaffirmed China's commitment to protecting the multilateral trading system and developing countries' interests at the Third "1+6" Roundtable on China and the global economy. He called for the strengthening of the WTO dispute settlement mechanism and the speedy resolution of the impasse on the selection of the WTO Appellate Body Members. He further supported the strengthening of international economic and development institutions to enhance the multilateral trading order and integrate developing countries into the global economy.<sup>50</sup>

On 23 November 2018, Assistant Minister of Commerce Wang Shouwen held a press conference on China's position on WTO reforms. He stated that the WTO reforms should follow the three principles of upholding the core values of the multilateral trading system, protecting the development interests of the WTO's developing members, and continuing to abide by decision-making by consensus. He further proposed five suggestions for the WTO reforms, namely upholding the fundamental position of the multilateral trading system, prioritizing the resolution of the existential problems facing the WTO, ensuring the fairness of the trade rules, safeguarding the special treatment of the WTO's developing members, and respecting the unique development models of each WTO member.<sup>51</sup>

On 18 December 2018, President Xi reaffirmed China's commitment to protecting the multilateral trading system at the 40<sup>th</sup> anniversary celebrations of China's reforms and opening up. He supported more open, balanced, tolerant, inclusive, and win-win economic globalization, freer trade and investment, and an open, transparent, tolerant, and nondiscriminatory multilateral trading system. He further stated that China should proactively contribute to international institutional reforms.<sup>52</sup>

On 1 March 2019, the Ministry of Commerce responded to WTO criticisms of Chinese agricultural subsidies by pledging to resolve the issue according to WTO regulations.<sup>53</sup> While the Ministry regretted that the WTO criticized Chinese agricultural subsidies and maintained that China had the

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<sup>47</sup> Xi Jinping Attends the Opening Ceremony of the First China International Import Expo and Delivers a Keynote Speech, Ministry of Commerce of the People's Republic of China (Beijing) 7 November 2018. Access Date: 13 January 2019. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201811/20181102804193.shtml>

<sup>48</sup> Xi Jinping Attends the Opening Ceremony of the First China International Import Expo and Delivers a Keynote Speech, Ministry of Commerce of the People's Republic of China (Beijing) 7 November 2018. Access Date: 13 January 2019. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201811/20181102804193.shtml>

<sup>49</sup> Xi Jinping Attends the Opening Ceremony of the First China International Import Expo and Delivers a Keynote Speech, Ministry of Commerce of the People's Republic of China (Beijing) 7 November 2018. Access Date: 13 January 2019. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201811/20181102804193.shtml>

<sup>50</sup> Joint Press Release of the Third "1+6" Roundtable, World Bank (Beijing) 8 November 2018. Access Date: 13 January 2019. <https://www.worldbank.org/en/news/press-release/2018/11/08/joint-press-release-of-the-third-16-roundtable>

<sup>51</sup> Department of Commerce opens WTO Reform Press Briefing (商务部召开世贸组织改革有关问题新闻吹风会), Ministry of Commerce of the People's Republic of China (Beijing) 23 November 2018. Access Date: 13 January 2019. <http://www.mofcom.gov.cn/xwfbh/20181123.shtml>

<sup>52</sup> Xi Jinping: Speech in celebration of 40th anniversary of Reform and Opening Up (习近平：在庆祝改革开放40周年大会上的讲话), Central People's Government of the People's Republic of China (Beijing) 18 December 2018. Access Date: 13 January 2019. [http://www.gov.cn/xinwen/2018-12/18/content\\_5350078.htm](http://www.gov.cn/xinwen/2018-12/18/content_5350078.htm)

<sup>53</sup> 商务部就WTO发布美诉我粮食补贴争端案专家组报告发表谈话, Central People's Government (Beijing) 1 March 2019. Access Date: 30 September 2019. [http://www.gov.cn/xinwen/2019-03/01/content\\_5369608.htm](http://www.gov.cn/xinwen/2019-03/01/content_5369608.htm)

fundamental right to support its agricultural sector, it also pledged to carefully review the WTO report and use the WTO dispute resolution mechanism to resolve the issue.<sup>54</sup> China further maintained its commitment to upholding WTO rules and protecting the stability of the multilateral trading system.<sup>55</sup>

On 4 April 2019, the Ministry of Commerce reaffirmed China's commitment to protecting the particular interests of developing WTO members.<sup>56</sup> The Ministry emphasized that special and differential treatment for developing countries was a fundamental principle of the WTO, and expressed its hopes that WTO members will work together to push forward WTO reforms and ensure the proper development of the multilateral trading system.<sup>57</sup>

On 13 May 2019, China formally submitted its proposal for WTO reforms to the WTO.<sup>58</sup> It suggested that WTO reforms should focus on four key areas: resolving the urgent existential problems facing the WTO, increasing the relevance of the WTO to global economic governance, improving the efficiency of the WTO, and enhancing the inclusiveness of the multilateral trading system. China also proposed specific measures for each of the four areas.<sup>59</sup>

On 18 May 2019, Assistant Minister of Commerce Li Chenggang reaffirmed China's commitment to protecting the multilateral trading system at the 25th Meeting of APEC (Asia-Pacific Economic Cooperation) Ministers Responsible for Trade.<sup>60</sup> In the Joint Statement of Ministers Responsible for Trade, China pledged to "promote trade and investment liberalization and facilitation, safeguard the authority and effectiveness of the WTO, [and] oppose protectionism."<sup>61</sup>

China has constructively engaged in further developing the legal framework within the WTO while considering the interests of developing members.

Thus, China receives a score of +1.

*Analyst: Jamie Huiyi Chen, Zemin Liu and Austin Zeyuan Zeng.*

### **South Africa: +1**

South Africa has fully complied with its commitment to further develop the current legal framework of the multilateral trading system within the World Trade Organization (WTO), taking into consideration the concerns and interests of all WTO members, including in particular the developing country members.

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<sup>54</sup> 商务部就WTO发布美诉我粮食补贴争端案专家组报告发表谈话, Central People's Government (Beijing) 1 March 2019. Access Date: 30 September 2019. [http://www.gov.cn/xinwen/2019-03/01/content\\_5369608.htm](http://www.gov.cn/xinwen/2019-03/01/content_5369608.htm)

<sup>55</sup> 商务部就WTO发布美诉我粮食补贴争端案专家组报告发表谈话, Central People's Government (Beijing) 1 March 2019. Access Date: 30 September 2019. [http://www.gov.cn/xinwen/2019-03/01/content\\_5369608.htm](http://www.gov.cn/xinwen/2019-03/01/content_5369608.htm)

<sup>56</sup> 商务部: WTO发展中成员特殊与差别待遇权利须得到保障, Central People's Government (Beijing) 4 April 2019. Access Date: 30 September 2019. [http://www.gov.cn/xinwen/2019-04/04/content\\_5379793.htm](http://www.gov.cn/xinwen/2019-04/04/content_5379793.htm)

<sup>57</sup> 商务部: WTO发展中成员特殊与差别待遇权利须得到保障, Central People's Government (Beijing) 4 April 2019. Access Date: 30 September 2019. [http://www.gov.cn/xinwen/2019-04/04/content\\_5379793.htm](http://www.gov.cn/xinwen/2019-04/04/content_5379793.htm)

<sup>58</sup> 中国提交WTO改革建议文件 提出四方面改革重点, Central People's Government (Beijing) 14 May 2019. Access Date: 30 September 2019. [http://www.gov.cn/xinwen/2019-05/14/content\\_5391562.htm](http://www.gov.cn/xinwen/2019-05/14/content_5391562.htm)

<sup>59</sup> 中国提交WTO改革建议文件 提出四方面改革重点, Central People's Government (Beijing) 14 May 2019. Access Date: 30 September 2019. [http://www.gov.cn/xinwen/2019-05/14/content\\_5391562.htm](http://www.gov.cn/xinwen/2019-05/14/content_5391562.htm)

<sup>60</sup> APEC Releases a Joint Statement of Ministers Responsible for Trade with Comprehensive Contents for the First Time in Four Years, Ministry of Commerce (Beijing) 20 May 2019. Access Date: 30 September 2019. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201905/20190502866228.shtml>

<sup>61</sup> APEC Releases a Joint Statement of Ministers Responsible for Trade with Comprehensive Contents for the First Time in Four Years, Ministry of Commerce (Beijing) 20 May 2019. Access Date: 30 September 2019. <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201905/20190502866228.shtml>

On 25 September 2018, during a speech at the United Nations General Assembly, President Ramaphosa stressed that “we must resist any and all efforts to undermine the multilateral approach to trade.” Furthermore he added that the United Nations, the World Bank, the WTO and other institutions must be revamped in order to better meet the needs of all peoples around the world.<sup>62</sup>

On 25 September 2018, President Ramaphosa emphasized that South Africa remains “firmly committed to rules-based multilateralism as the most sustainable and effective approach to the management of international relations — and will continue to advocate for the needs and interests of developing countries to be placed at the top of the international agenda.” He also noted that there is a need to strengthen the rules-based international trading system and move with speed to transform other multilateral institutions and global governance structures to be in line with current realities of the 21st century.<sup>63</sup>

In October 2018, during the three-day Public Forum South Africa’s WTO Ambassador Xavier Carim reiterated the need for the WTO to be a sustainable, inclusive and democratic multilateral trading system, especially in the current global climate.<sup>64</sup>

On 4 December 2018, South Africa’s Deputy Trade and Industry Minister Bulelani Magwanishe and Tunis Chamber of Commerce and Industries President Mounir Mouakhar met in Tunis to discuss increasing investment and trade opportunities between South Africa and Tunis.<sup>65</sup> They agreed to establish a joint business council that would facilitate interaction and create opportunities of trade and investment between the two countries.<sup>66</sup>

On 25 January 2019, South African President Cyril Ramaphosa visited New Delhi and agreed on a plan with Indian Prime Minister Narendra Modi to increase trade “under a three-year strategic exchange program.”<sup>67</sup>

On 31 January 2019, South Africa and the United Kingdom signed a trade continuity agreement, pledging to continue “tariff-free imports from Southern Africa, and removes the majority of tariffs on British exports” to South Africa in the upcoming years.<sup>68</sup>

On 30 May 2019, the African Continental Free Trade Agreement, a new continent-wide free trade agreement, came into force.<sup>69</sup>

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<sup>62</sup> South Africa, General Assembly of the United Nations (New York) 25 September 2018. Access Date: 13 January 2019. <https://gadebate.un.org/en/73/south-africa>

<sup>63</sup> SA reiterates commitment to multilateralism, South African Government News Agency (Pretoria) 25 September 2018. Access Date: 14 January 2019. <https://www.sanews.gov.za/south-africa/sa-reiterates-commitment-multilateralism>

<sup>64</sup> SA Ambassador delivers warning at trade body, Saturday Star (Johannesburg). 11 October 2018. Access Date: 13 January 2019. <https://www.iol.co.za/saturday-star/sa-ambassador-delivers-warning-at-trade-body-17438140>.

<sup>65</sup> SA, Tunisia moot business council to boost trade and investment, IOL News (Johannesburg) 5 December 2018. Access Date: 5 January 2019. <https://www.iol.co.za/business-report/economy/sa-tunisa-moot-business-council-to-boost-trade-and-investment-18392745>

<sup>66</sup> SA, Tunisia moot business council to boost trade and investment, IOL News (Johannesburg) 5 December 2018. Access Date: 5 January 2019. <https://www.iol.co.za/business-report/economy/sa-tunisa-moot-business-council-to-boost-trade-and-investment-18392745>

<sup>67</sup> India, South Africa to boost defence ties, trade, The Star (New Delhi) 25 January 2019. Access Date: 26 September 2019. <https://www.thestar.com/news/world/asia/2019/01/25/india-south-africa-to-boost-defence-ties-trade.html>

<sup>68</sup> UK signs Eastern and Southern Africa trade continuity agreement, the Government of the United Kingdom (London) 31 January 2019. Access Date: 27 September 2019. <https://www.gov.uk/government/news/uk-signs-eastern-and-southern-africa-trade-continuity-agreement>

<sup>69</sup> High hopes as Pan-African free trade deal comes into force, Financial Times (Lagos, Addis Ababa, Cairo) 30 May 2019. Access Date: 29 September 2019. <https://www.ft.com/content/d5b0ebe4-8137-11e9-9935-ad75bb96c849>

On 4 June 2019, South Africa and India submitted a joint communication to the World Trade Organization asking for the WTO to revisit issues on the e-commerce moratorium with the “utmost urgency and in its entirety,” which is due to expire in December 2019. It argued that “customs duty-free imports of digital products may...hinder the growth of the infant digital industry in developing countries.”<sup>70</sup>

On 28 June 2019, President Ramaphosa participated in an informal BRICS meeting on the margins of the G20, where leaders sought to consolidate the bloc’s position around the G20 agenda. They reaffirmed their “full support for the rules-based multilateral trading system, as embodied in the WTO, to ensure transparent, non-discriminatory, open and inclusive international trade.”<sup>71</sup>

On 7 July 2019, the African Continental Free Trade Area (AfCFTA), a continental free-trade zone, was officially launched at the African Union summit. It aims to boost intra-regional trade, strengthen supply chains, and spread expertise.<sup>72</sup>

On 11 September 2019, South Africa and five other southern African nations reached a trade agreement with the United Kingdom that aims to protect trade conditions post-Brexit.<sup>73</sup>

On 22 September 2019, South Africa, along with India and Brazil, reaffirmed its commitment to promoting reforms for more inclusive and responsive global governance architecture in international organizations such as the World Trade Organization, G20, and the UN. South Africa’s Minister of International Relations and Cooperation Naledi Pandor stressed the right to development and equal opportunity.<sup>74</sup>

South Africa has taken measures to further develop the current legal framework of the multilateral trading system within the WTO, while taking into consideration the interests of developing countries.

Thus, South Africa receives a score of +1.

*Analysts: Abby Chu, Layal Hallal and David Manocchio*

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<sup>70</sup> India, South Africa asks WTO to revisit moratorium on customs duties on e-commerce trade, The Times of India (New Delhi) 4 June 2019. Access Date: 29 September 2019. <https://timesofindia.indiatimes.com/business/india-business/india-south-africa-asks-wto-to-revisit-moratorium-on-customs-duties-on-e-commerce-trade/articleshow/69654899.cms>

<sup>71</sup> BRICS leaders call for transparent, inclusive international trade, The Economic Times (Osaka) 28 June 2019. Access Date: 29 September 2019. <https://economictimes.indiatimes.com/news/international/business/brics-leaders-call-for-transparent-inclusive-international-trade/articleshow/69990613.cms>

<sup>72</sup> Economic ‘game change’? African leaders launch free-trade zone, Reuters (Niamey) 7 July 2019. Access Date: 29 September 2019. <https://www.reuters.com/article/us-africa-trade/economic-game-changer-african-leaders-launch-free-trade-zone-idUSKCN1U20BX>

<sup>73</sup> Britain agrees post-Brexit trade deal with Southern Africa, Reuters (Johannesburg) 11 September 2019. Access Date: 30 September 2019. <https://uk.reuters.com/article/uk-britain-africa-trade/britain-agrees-post-brexit-trade-deal-with-southern-africa-idUKKCN1VW1N5>

<sup>74</sup> India, Brazil, and South Africa call for reforms at international fora, including UN, G20 and WTO, The Economic Times (New York) 27 September 2019. Access Date: 30 September 2019. <https://economictimes.indiatimes.com/news/economy/foreign-trade/india-brazil-south-africa-call-for-reforms-at-international-fora-including-un-g20-and-wto/articleshow/71333993.cms>

## 2. Jobs: Fourth Industrial Revolution

2018-38: “[We strongly acknowledge that skills development is critical to addressing the emerging mismatch between the new skills demanded by an increasingly technology-and knowledge-driven global economy and the older skill set of many workers. The pace, scale and scope of present-day economic change makes it that more challenging] In this regard, we support measures including policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation and Reduction through Skills, to further facilitate vocational training, lifelong learning and the training that is relevant to the fast-changing demand of growing economies and world of work.”

*BRICS Johannesburg Declaration*

### Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Brazil			+1
Russia		0	
India			+1
China			+1
South Africa			+1
Average		+0.80	

### Background

The First Industrial Revolution was characterized by steam and water. The Second Industrial Revolution is remembered by the introduction of electricity for mass production, and the Third by the rise of the internet, communication technologies and mass digitization.<sup>75</sup> Involving new developments in artificial intelligence, machine learning, robotics, nanotechnology, 3-D printing, genetics and biotechnology, the Fourth Industrial Revolution is characterized by the blurring and fusing of the real world with technological, biological and physical realms.<sup>76</sup> The Fourth Industrial Revolution is distinct from the Third in the unprecedented velocity and scope of its technological breakthroughs, evolving exponentially and disrupting industries around the world.

The Fourth Industrial Revolution gives rise to the demand for new business models and skills. Companies are seeking emerging technologies to reach higher levels of efficiency and consumption and expanding to new markets and products. Technological breakthroughs shift and challenge tasks previously performed by humans, posing risks of widening skill gaps and inequality. Economic prosperity thus depends on the ability of government and corporate stakeholders to reform education, training systems, labour policies, and skills development. According to the World Economic Forum’s Future of Jobs Report in 2018, up to 7.1 million jobs may be lost as a result of redundancy, automation or disintermediation, the majority of positions affected in white-collar office and administrative roles. Lost jobs can be offset by the creation of 2.1 million jobs in specialized job families such as computer, mathematics, architecture and engineering.<sup>77</sup>

In the context of BRICS summity, issues of macroeconomic growth have been featured prominently in the BRICS agenda since its inception. Themes of industrialization, job creation, and inclusive

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<sup>75</sup> The Fourth Industrial Revolution: what it means, how to respond, World Economic Forum (Geneva) 12 January 2016. Access Date: 1 March 2019. <https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>

<sup>76</sup> The Fourth Industrial Revolution Is Here: Are You Ready? Forbes (New York) 13 August 2018. Access Date: 1 March 2019. <https://www.forbes.com/sites/bernardmarr/2018/08/13/the-4th-industrial-revolution-is-here-are-you-ready/>.

<sup>77</sup> The Future of Jobs Report 2018, World Economic Forum (Geneva) 17 September 2018. Access Date: 1 March 2019. <https://www.weforum.org/reports/the-future-of-jobs-report-2018>.

growth have been consistently addressed, and skill development and training have further emerged as a recent focus.

On 29 March 2012, at the Plenary Session of the Fourth BRICS Summit in New Delhi, Indian Prime Minister Manmohan Singh referenced the theme of human resource development by stating: “we are working on ambitious programmes of skill upgrading and education and creation of an environment conducive to an expansion of productive job opportunities.”<sup>78</sup>

On 27 March 2013, the fifth BRICS Summit in Durban highlighted the central role of skill building in building prosperity in Africa. South African President Jacob Zuma noted that in the South African context, “we need to upgrade the skills of at least 3.2 million youths who are neither in employment, education nor training, so as to ensure that they are employable and can be absorbed into productive labour market economy.”<sup>79</sup> Indian Prime Minister Manmohan Singh echoed these comments by noting that India will assist in vocational and entrepreneurial skill building for the continent of Africa.<sup>80</sup>

On 15 July 2014, at the sixth BRICS Summit in Fortaleza, BRICS noted that in the Fortaleza Declaration that economic growth and social inclusion policies are key to encouraging a stabilized global economy, creating jobs, reducing poverty, and decreasing inequality to promote the Millennium Development Goals. The BRICS members also recognized “the fundamental role played by small and medium-sized enterprises in the economies of our countries as major creators of jobs and wealth,” and reaffirmed the commitment “to develop BRICS-Africa cooperation in support of the socioeconomic development of Africa, particularly with regard to infrastructure development and industrialization.”<sup>81</sup>

On 9 July 2015, the Ufa Declaration focused on the creation of jobs and information for labour and employment challenges related to “high public debt and unemployment.”<sup>82</sup> BRICS affirmed coordinated efforts to address unemployment by promoting “high and productive employment.”<sup>83</sup> BRICS members also recognized the progress made in the “coordination of efforts with regard to human resources and employment, social welfare and security, as well as social integration policy.”<sup>84</sup>

On 26 January 2016, the BRICS Labour and Employment Ministers met in Ufa, Russia, and discussed the expansion of BRICS coordination and cooperation on the promotion of quality and

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<sup>78</sup> Prime Minister's Statement at the Plenary Session of the Fourth BRICS Summit, BRICS Information Centre (New Delhi) 29 March 2012. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/120329-singh-statement.html>

<sup>79</sup> Addressing the Summit Theme “BRICS and Africa: Partnership for Development, Integration and Industrialisation,” BRICS Information Centre (Durban) 27 March 2013. Access Date: 24 October 2018.

<http://www.brics.utoronto.ca/docs/130327-zuma-address.html>

<sup>80</sup> Addressing the Summit Theme “BRICS and Africa: Partnership for Development, Integration and Industrialisation,” BRICS Information Centre (Durban) 27 March 2013. Access Date: 24 October 2018.

<http://www.brics.utoronto.ca/docs/130327-zuma-address.html>

<sup>81</sup> The 6th BRICS Summit: 2014 Fortaleza Declaration, BRICS Information Centre (Fortaleza) 15 July 2014. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/140715-leaders.html>

<sup>82</sup> VII BRICS Summit: 2015 Ufa Declaration, BRICS Information Centre (Ufa) 9 July 2015. Access Date: 24 October 2018. [http://brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://brics.utoronto.ca/docs/150709-ufa-declaration_en.html)

<sup>83</sup> VII BRICS Summit: 2015 Ufa Declaration, BRICS Information Centre (Ufa) 9 July 2015. Access Date: 24 October 2018. [http://brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://brics.utoronto.ca/docs/150709-ufa-declaration_en.html)

<sup>84</sup> VII BRICS Summit: 2015 Ufa Declaration, BRICS Information Centre (Ufa) 9 July 2015. Access Date: 24 October 2018. [http://brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://brics.utoronto.ca/docs/150709-ufa-declaration_en.html)

inclusive employment, the creation of quality jobs, skills development, social protection, formalization of labour markets, and labour and employment information exchange.<sup>85</sup>

On 28 September 2016, the BRICS Labour and Employment Ministers set inclusive employment, formalizing labour markets, fostering of small and medium enterprises (SMEs), and exchanging good practice as the objectives of their meeting in New Delhi.<sup>86</sup> This ministerial meeting also promoted labour mobility, improved education and “modernization of skills development,” and enhanced social protection for workers both in the formal and informal economy.<sup>87</sup>

On 16 October 2016, the BRICS Summit in Goa recognized the establishment of a “network of lead labour research and training institutes so as to encourage capacity building, information exchange, and sharing of best practices amongst BRICS countries.”<sup>88</sup> The Goa Summit also reinforced the outcomes of the BRICS Youth Summit in Guwahati, including the Guwahati BRICS Youth Summit 2016 Call to Action, which recognized the significance of “education, employment, entrepreneurship, and skills training.”<sup>89</sup> BRICS members further “agreed that MSMEs [micro, small and medium-sized enterprises] provide major employment opportunities, at comparatively lower capital cost, and create self-employment opportunities in rural and underdeveloped areas.”<sup>90</sup>

In 2017, in the Xiamen Declaration, BRICS leaders agreed to “seize the opportunities brought about by the new industrial revolution and expedite our respective industrialization processes.”<sup>91</sup> The Declaration also acknowledged labour market transformation and the importance of strengthening of a “BRICS common position on governance in the future of work and agreement to further strengthen exchanges and cooperation in ensuring full employment, promoting decent work, advancing poverty alleviation and reduction through skills development and achieving universal and sustainable social security systems.”<sup>92</sup>

### **Commitment Features**

On 26 July 2018, BRICS adopted the 10th BRICS Summit Johannesburg Declaration in South Africa, entitled “BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution.”<sup>93</sup> The present commitment was made in Section IV, entitled “BRICS

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<sup>85</sup> BRICS Labour and Employment Ministers Declaration: Quality Jobs and Inclusive Employment Policies, BRICS Information Centre (Ufa) 26 January 2016. Access Date: 1 March 2019. <http://www.brics.utoronto.ca/docs/160126-labour.html>

<sup>86</sup> BRICS Labour and Employment Ministers' Declaration: Employment Generation, Social Protection for All and Transition from Informality to Formality, BRICS Information Centre (New Delhi) 28 September 2016. Access Date: 1 March 2019. <http://www.brics.utoronto.ca/docs/160928-labour.html>

<sup>87</sup> BRICS Labour and Employment Ministers' Declaration: Employment Generation, Social Protection for All and Transition from Informality to Formality, BRICS Information Centre (New Delhi) 28 September 2016. Access Date: 1 March 2019. <http://www.brics.utoronto.ca/docs/160928-labour.html>

<sup>88</sup> 8th BRICS Summit: Goa Declaration, BRICS Information Centre (Goa) 16 October 2016. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/161016-goa.html>

<sup>89</sup> 8th BRICS Summit: Goa Declaration, BRICS Information Centre (Goa) 16 October 2016. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/161016-goa.html>

<sup>90</sup> 8th BRICS Summit: Goa Declaration, BRICS Information Centre (Goa) 16 October 2016. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/161016-goa.html>

<sup>91</sup> BRICS Leaders Xiamen Declaration, BRICS Information Centre (Xiamen) 4 September 2017. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/170904-xiamen.html>

<sup>92</sup> BRICS Leaders Xiamen Declaration, BRICS Information Centre (Xiamen) 4 September 2017. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/170904-xiamen.html>

<sup>93</sup> BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution, BRICS Information Centre (Johannesburg) 26 July 2018. Access Date: 1 March 2019. <http://www.brics.utoronto.ca/docs/180726-johannesburg.html>

Partnership for Global Economic Recovery, Reform of Financial and Economic Global Governance Institutions, and the Fourth Industrial Revolution.”<sup>94</sup>

In the text of this commitment, “support” is understood to mean “the action, or act of providing aid, assistance, or backing up an initiative, or entity.”<sup>95</sup> The word “support” indicates that the present paragraph is a politically binding commitment.<sup>96</sup> To achieve compliance, BRICS members need to support the prescriptions outlined in the two aforementioned documents: the G20 Initiative to Promote Quality Apprenticeship and BRICS Action Plan for Poverty Alleviation and Reduction through Skills.

The G20 Initiative to Promote Quality Apprenticeship is included as Annex 3 of the 2016 G20 Labour and Employment Ministers Meeting Declaration entitled “Innovation and Inclusive Growth: Decent Work, Enhanced Employability and Adequate Job Opportunities.” The policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship are as follows:

1. “Establish national goals or targets to develop, expand and improve apprenticeship programmes, including for higher education levels.
2. Raise the quality of apprenticeship by fully engaging social partners in the design, development and delivery of apprenticeship and ensuring a strong work-based training component for instance through dual training systems, effective career guidance, and integration with formal schooling and skills recognition systems.
3. Promote apprenticeship programmes in a broad array of occupations and sectors, particularly emerging sectors and those with skill shortages.
4. Foster the engagement of businesses in the apprentice systems, make apprenticeship more attractive to employers, in particular SMEs, by reflecting their skills needs in training programmes, addressing legal and regulatory disincentives, and promoting an adequate/appropriate sharing of costs among employers, providers and public authorities.
5. Ensure that apprenticeship programmes offer good working and training conditions, including appropriate wages, labour contracts and social security coverage, as well as respect for labour rights and occupational safety and health.
6. Implement initiatives to raise the awareness and highlight the benefits of apprenticeship among enterprises, guidance counsellors, job seekers, and the general population.
7. Improve access to quality apprenticeship for disadvantaged groups through income subsidies, training credits, pre-apprenticeship programmes, affordable quality child care, and family-friendly work opportunities, among others.
8. Strengthen partnerships between businesses and vocational schools in apprenticeship programmes design, delivery and certification.

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<sup>94</sup> BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution, BRICS Information Centre (Johannesburg) 26 July 2018. Access Date: 1 March 2019.

<http://www.brics.utoronto.ca/docs/180726-johannesburg.html>

<sup>95</sup> Compliance Coding Manual for International Institutional Commitments, G7 and G20 Research Groups (Toronto) 7 May 2018. Access Date: 1 March 2019.

<sup>96</sup> Compliance Coding Manual for International Institutional Commitments, G7 and G20 Research Groups (Toronto) 7 May 2018. Access Date: 1 March 2019.

9. Support programmes to upgrade informal apprenticeship and to facilitate the inclusion of informal apprentices to the formal economy, either through certification and recognition of prior learning, supplementary training, or other appropriate measures.
10. Expand quality apprenticeship globally, including through technical cooperation and regional initiatives.”<sup>97</sup>

The BRICS Action Plan for Poverty Alleviation and Reduction through Skills is included as Annex 2 of the 2017 BRICS Labour and Employment Ministers Meeting Declaration. The policy recommendations proposed in the BRICS Action Plan for Poverty Alleviation and Reduction through Skills are as follows:

1. “Integrate groups including the poor into the overall national plan for vocational training and set up training plans and programs according to the characteristics and needs of various groups.
2. Establish and improve lifelong vocational training and learning system for individuals of varying employment status and different career development stages.
3. Provide vocational training allowances or free training for individuals who participate in vocational training, especially people from poor areas, the urban poor and laid-off workers from sunset industries.
4. Encourage training providers to strengthen research on skill needs of various jobs, develop training courses, enrich training curricula and expand the coverage of vocational training services through new technologies and other innovative services to provide more flexible and convenient training modalities for the general public especially people from poor areas and laid-off workers from sunset industries.
5. Strengthen cooperation between governments, sectors and enterprises to conduct joint research and establish regional and sectoral strategies in order to improve the capacity of the economy to absorb unemployed people. Encourage enterprises especially those with difficulties in the process of restructuring to carry out various forms of skills upgrading training or new skills training in order to promote stable employment or re-employment in new areas.
6. Promote high-quality apprenticeship systems and encourage enterprises to provide training after recruitment and provide sound working conditions for apprentices including proper wages, labour contracts and social security as well as occupational health and safety.”<sup>98</sup>

In the second part of the commitment text, “facilitate” is defined as “to make easier.”<sup>99</sup> Alternatively, it can be understood to mean “to help bring about.”<sup>100</sup> Facilitation refers to three components: “1) vocational training, 2) lifelong learning and 3) training that is relevant to the fast-changing demand of growing economies and world of work.”

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<sup>97</sup> Innovation and Inclusive Growth: Decent Work, Enhanced Employability and Adequate Job Opportunities, G20 Information Centre (Beijing) 13 July 2016. Access Date: 1 March 2019. <http://www.g20.utoronto.ca/2016/160713-labour.html#annex3>

<sup>98</sup> BRICS Labour and Employment Ministers’ Declaration, Russian Presidential Academy of National Economy and Public Administration (Chongqing) 27 July 2017. Access Date: 1 March 2019.

<https://www.ranepa.ru/images/media/brics/china2016/BRICS%20MD%200725-EWG%20Meeting.pdf>

<sup>99</sup> Compliance Coding Manual for International Institutional Commitments, G7 and G20 Research Groups (Toronto) 7 May 2018. Access Date: 1 March 2019.

<sup>100</sup> Facilitate, Merriam-Webster (Springfield) Access Date: 1 March 2019. <https://www.merriam-webster.com/dictionary/facilitate>

“Vocational training” refers to training for the specific skills or knowledge required of an occupation given rise by or relating to the Fourth Industrial Revolution. Such knowledge or ability to excel in particular skill sets can be required of demanded or newly created job functions or trade. “Lifelong learning” refers to “the provision or use of both formal and informal learning opportunities throughout people’s lives in order to foster the continuous development and improvement of the knowledge and skills needed for employment and personal fulfilment.”<sup>101</sup> “Lifelong learning” can be understood also in the context of “vocational training,” as defined above. “Training” pertains to teaching relevant academic and practical skills both to those who are entering the workforce and those who are already employed. In the context of “fast-changing demand of growing economies,” the skills trained should equip workers to respond and adapt to a world of work newly and swiftly reshaped by technological advancements and economic restructuring. Such training includes but is not limited to: teaching skills that are irreplaceable by technology, improving one’s ability to transition between jobs and careers, and exploring innovative contributions to economic growth.

To achieve full compliance, BRICS members must comply with at least one policy recommendation proposed by both the aforementioned G20 and BRICS documents centred on vocational training, lifelong learning, and training relevant to the fast-changing demand of growing economies and the world of work. This means that at least one of the prescribed recommendations must be fulfilled in each of the two summit documents.

Partial compliance will be scored if only recommendations from one document are addressed, regardless of the number of prescriptions accomplished under each document. A score of -1 will be assigned for non-compliance, in the scenario that the BRICS member has failed to address any policy recommendations in either the G20 Initiative to Promote Quality Apprenticeship or the BRICS Action Plan for Poverty Alleviation and Reduction through Skills.

### Scoring Guidelines

Score	Description
-1	The BRICS member does not implement any of the policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship NOR the BRICS Action Plan for Poverty Alleviation and Reduction through Skills.
0	The BRICS member implements at least one of the policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship OR at least one of the policy recommendations proposed in the BRICS Action Plan for Poverty Alleviation and Reduction through Skills.
+1	The BRICS member implements at least one of the policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship AND at least one of the policy recommendations proposed in the BRICS Action Plan for Poverty Alleviation and Reduction through Skills.

### Brazil: +1

Brazil fully complied with its commitment to implement the policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation and Reduction through Skills, to further facilitate vocational training, lifelong learning and the training that is relevant to the fast-changing demand of growing economies and world of work.

On 9 August 2018, the Minister of Labour held the first official meeting of the Advisory Board of the National Program for Productive Microcredit Orientation (PNMPO). The PNMPO was established in 2005 to encourage new work and income opportunities among micro-entrepreneurs, including farmers and informal workers. The purpose of this board is to enable accessible micro-

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<sup>101</sup> Lifelong learning, Dictionary.com. Access Date: 1 March 2019. <https://www.dictionary.com/browse/lifelong-learning>

credits as a means of financing small enterprises, improving family income and stimulating economy.<sup>102</sup>

On 15 September 2018, BRICS Ministers of Communication, including the Minister of the Federative Republic of Brazil, met for the fourth BRICS Communication Ministers Meeting.<sup>103</sup> The Ministers acknowledged the impact and effects of the Fourth Industrial Revolution on economic growth and development and the subsequent need for policy formulation and citizen engagement.<sup>104</sup>

On 18 September 2018, the Committee of Advanced Studies on the Future of Labour was officially installed by the Ministry of Labour. The committee includes representatives from the government, judiciary, academia, trade unions and employers' organizations, and its meets to discuss and propose forms of employment protection in light of the Fourth Industrial Revolution.<sup>105</sup>

On 27 September 2018, the Ministry of Labour reported the launch of the Professional Learning Panel. This panel keep a record of apprentice profiles, including data about geography, occupation, gender, age, schooling, youth remuneration, as well as information about People with Disabilities.<sup>106</sup>

On 2-5 October 2018, Minister of Labour Caio Vieira de Mello represented Brazil at the 19th American Regional Meeting of the International Labour Organization (ILO) in Panama City. In his address, the Minister brought forth the importance of committing to the improvement of social dialogue and promotion of quality work opportunities.<sup>107</sup>

On 16 October 2018, the Escola de Trabalhador (the School of Workers) was implemented at the Center for Female Reeducation (CRF) in a prison in Ananindeua, Para. The aim of the free courses is to foster professional training, female entrepreneurship and qualifications for the labour market.<sup>108</sup> This program was made possible through a cooperation agreement signed on 10 October 2018 between the Minister of Labour and the Minister of Public Security.<sup>109</sup> The program will begin at women's prisons, and it will gradually extend to the entire system at the federal and state levels.<sup>110</sup>

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<sup>102</sup> Ministry holds first meeting of the Advisory Board of the National Program of Oriented Productive Microcredit, Ministry of Labour. 10 August 2018. Access Date: 12 January 2019. <http://trabalho.gov.br/noticias/6306-ministerio-faz-primeira-reuniao-do-conselho-consultivo-do-programa-nacional-de-microcredito-produtivo-orientado>

<sup>103</sup> Declaration of the 4th BRICS Communication Ministers Meeting, South African Government (Durban) 15 September 2018. Access Date: 10 November 2018. <https://www.gov.za/speeches/declaration-4th-brics-communication-ministers-meeting-adopted-ministers-communications-15>

<sup>104</sup> Declaration of the 4th BRICS Communication Ministers Meeting, South African Government (Durban) 15 September 2018. Access Date: 10 November 2018. <https://www.gov.za/speeches/declaration-4th-brics-communication-ministers-meeting-adopted-ministers-communications-15>

<sup>105</sup> The members of the Committee on Advanced Studies on the Future of Work, Ministry of Labour. 10 September 2018. Access Date: 12 January 2019. <http://trabalho.gov.br/noticias/6395-definidos-os-integrantes-do-comite-de-estudos-avancados-sobre-o-futuro-do-trabalho>

<sup>106</sup> Ministry of Labour launches panel mapping profile of apprentices, Ministry of Labour. 27 September 2018. Access Date: 12 January 2019. <http://trabalho.gov.br/noticias/6509-ministerio-do-trabalho-lanca-painel-que-mapeia-perfil-dos-aprendizes>

<sup>107</sup> ILO Meeting: Ministry presents the Committee on Advances Studies on the Future of Labour, Ministry of Labour. 9 October 2018. Access Date: 12 January 2019. <http://trabalho.gov.br/noticias/6583-reuniao-americana-da-oit-ministerio-apresenta-o-comite-de-estudos-avancados-sobre-o-futuro-do-trabalho>

<sup>108</sup> Escola de Trabalhador arrives at the Brazilian prison system, Ministry of Labour. 17 October 2018. Access Date: 12 January 2019. <http://trabalho.gov.br/noticias/6602-escola-do-trabalhador-chega-ao-sistema-prisional-brasileiro-2>

<sup>109</sup> Escola de Trabalhador arrives at the Brazilian prison system, Ministry of Labour. 10 October 2018. Access Date: 12 January 2019. <http://trabalho.gov.br/noticias/6589-escola-do-trabalhador-chega-ao-sistema-prisional-brasileiro>

<sup>110</sup> Escola de Trabalhador arrives at the Brazilian prison system, Ministry of Labour. 10 October 2018. Access Date: 12 January 2019. <http://trabalho.gov.br/noticias/6589-escola-do-trabalhador-chega-ao-sistema-prisional-brasileiro>

On 1 November 2018, the General Register of Employees and Unemployed of the Ministry of Labour declared that 227,626 apprentices were hired in Brazil in the first six months of 2018.<sup>111</sup> The service industry hired the most apprentices.

On 28 November 2018, the Ministry of Labour organized its first meeting of the National Microcredit Forum, focusing on the theme of job creation for self-employed professionals and small businesses.<sup>112</sup> A major topic discussed at the forum pertained to how new technologies are increasing microcredit supply and how the Public Employment, Labour and Income System is integrating microcredits. The Worker's School's course "Knowing the Function of Microcredit Agent" will allow micro-entrepreneurs access to broader knowledge about public policy.

On 29 November 2018, the Ministry of Labour conducted the fifth meeting of the Committee for Advanced Studies on the Future of Labour, which proposed recommendations for employment protection in light of the future of automation.<sup>113</sup> The proposal of Anamatra hoped to protect urban and rural workers from artificial intelligence. Minister of Labour Caio Vieira de Mello stated that he favoured taxing companies using automation for a social fund for workers.

On 12 December 2018, in Brasilia, the National School of Labour Inspection (Enit) emphasized distance education and the significance of virtual training courses. Enit conducted 51 training events and invested in the purchase of equipment for these courses.<sup>114</sup>

On 19 December 2018, the Ministry of Labour announced that 100% of unemployment insurance could be applied for online.<sup>115</sup> Through the development of online tools by Dataprev, this initiative aims to improve the efficient delivery of public services, decrease costs and enhance convenience. Although Brazil has had online applications for unemployment insurance since November 2017, workers previously had to go to service desks for validations.

On 20 December 2018, the Regional Superintendence of Labour of Minas Gerais hosted the second edition of the Special Solidary Economy Fair in partnership with the Mining Forum of Solidarity Economy, in order to increase trade in manufactured goods in Belo Horizonte.<sup>116</sup> Visitors were given the opportunity to register for their Work Card, Social Security and unemployment insurance application.

On 21 December 2018, the Secretariat of Labour Inspection closed the seven-month National Accident Prevention Campaign, which promoted awareness about occupational health and work

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<sup>111</sup> More than 227 thousand young people had opportunities as apprentices in the first semester, Ministry of Labour. 1 November 2018. Access Date: 10 November 2018. <http://www.trabalho.gov.br/noticias/6687-mais-de-227-mil-jovens-tiveram-oportunidade-como-aprendizes-no-primeiro-semestre>

<sup>112</sup> Ministry of Labour holds the 1st Meeting of the National Microcredit Forum, Ministry of Labour. 28 November 2018. Access Date: 5 December 2018. <http://trabalho.gov.br/noticias/6778-ministerio-do-trabalho-realiza-a-1-reuniao-do-forum-nacional-de-microcredito>

<sup>113</sup> Committee holds last meeting to discuss proposals on the future of work, Ministry of Labour. 29 November 2018. Access Date: 5 December 2018. <http://trabalho.gov.br/noticias/6787-comite-faz-ultima-reuniao-para-debater-propostas-sobre-o-futuro-do-trabalho>

<sup>114</sup> National School of Labour Inspection will prioritize distance courses in 2019, Ministry of Labour. 13 December 2018. Access Date: 17 December 2018. <http://trabalho.gov.br/noticias/6818-escola-nacional-de-inspecao-do-trabalho-priorizara-cursos-a-distancia-em-2019>

<sup>115</sup> Worker can already apply for unemployment insurance 100% through the web, Ministry of Labour. 19 December 2018. Access Date: 26 December 2018. <http://trabalho.gov.br/noticias/6827-trabalhador-ja-pode-fazer-a-solicitacao-do-seguro-desemprego-100-pela-web>

<sup>116</sup> Superintendence promotes special Solidarity Economy Fair in Natal, Ministry of Labour. 20 December 2018. Access Date: 26 December 2018. <http://trabalho.gov.br/noticias/6832-superintendencia-promove-feira-de-economia-solidaria-especial-de-natal>

injuries.<sup>117</sup> The Campaign adopted a comprehensive approach through leveraging channels of public education through schools and improving the safety of agricultural machinery and inspections. The National Association of Automobile Vehicle Manufacturers and the Brazilian Association of Machinery and Equipment Industry produced a manual on Occupational Safety and Health Inspection, in partnership with the Department of Occupational Health and Safety.

On 28 December 2018, the Labour Inspection Secretariat of the Ministry of Labour released a guide on the prevention of workplace discrimination for stakeholders including employees, employers, trade unions, employment agencies, and human resources departments.<sup>118</sup> The guide responds to concerns regarding various types of discrimination, the proceedings of a complaint, requirements for job applications, and waivers. This guide discusses all forms of employment, and also applies to apprenticeship programs.

On 27 November 2018, the Ministry of Labour released the third National Plan for the Prevention and Eradication of Child Labour and Protection of the Adolescent Worker.<sup>119</sup> Up to September 2018, 42,707 tax actions occurred and 96,536 apprentices were registered. The plan emphasized professional learning and noted that the most hired apprentices of the first six months of 2018 occurred in the transformation and trade industry.

On 13-14 November 2018, in conjunction with the ILO, the Ministry of Labour between the Labour Inspection of Brazil and Argentina held a meeting to discuss the eradication of forced labour.<sup>120</sup> Labour inspection in Brazil is shifting to coordinate with other agencies and promote more efficient practices.

On 20 December 2018, the federal court in Brazil ruled that “farm owners can be investigated over labour abuses [that occurred] almost 20 years ago.”<sup>121</sup> Lawyers projected that several significant cases may be reopened.

On 11 December 2018, Brazil expressed discontent with the UN Migration Accord, and expressed its intention to withdraw, because the Accord was thought to “import poverty and crime, reduce wages, and take jobs away from taxpaying citizens.”<sup>122</sup> On 8 January 2019, Brazil officially pulled out of the UN Migration Accord.<sup>123</sup>

On 28 December 2018, the Labour Inspection Secretariat of the Ministry of Labour released a guide on the prevention of workplace discrimination for all stakeholders including employees, employers,

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<sup>117</sup> Ministry of Labour completes National Accident Prevention Campaign, Ministry of Labour. 21 December 2018. Access Date: 26 December 2018. <http://trabalho.gov.br/noticias/6833-ministerio-do-trabalho-finaliza-campanha-nacional-de-prevencao-de-acidentes>

<sup>118</sup> Guidance on preventing and combating discrimination at work, Ministry of Labour. 28 December 2018. Access Date: 2 January 2019. <http://trabalho.gov.br/noticias/6838-guia-orienta-sobre-prevencao-e-combate-a-discriminacao-no-trabalho>

<sup>119</sup> Minister launches plan for the eradication of child labour and protection of the adolescent, Ministry of Labour. 27 November 2018. Access Date: 5 December 2018. <http://trabalho.gov.br/noticias/6774-ministro-lanca-plano-de-erradicacao-do-trabalho-infantil-e-protecao-do-adolescente>

<sup>120</sup> Brazil and Argentina discuss partnership to combat slave labour, Ministry of Labour. 29 November 2018. Access Date: 5 December 2018. <http://trabalho.gov.br/noticias/6786-brasil-e-argentina-discutem-parceria-para-combate-ao-trabalho-escravo>

<sup>121</sup> Brazil upholds slave labour ruling in blow for traffickers, Thomson Reuters Foundation News (Rio de Janeiro) 20 December 2018. Access Date: 26 December 2018. <http://news.trust.org/item/20181220174432-6izsp/>

<sup>122</sup> New Brazil government to pull out of UN migration accord, Associated Press (Sao Paulo) 11 December 2018. Access Date: 17 December 2018. <https://www.apnews.com/689bea3cb5e6465ba2d814a06be738f2>

<sup>123</sup> Brazil quits U.N. migration pact, will still take in Venezuelan refugees: source, Reuters (Brasilia) 8 January 2019. Access Date: 12 January 2019. <https://www.reuters.com/article/us-brazil-migration/brazil-quits-u-n-migration-pact-will-still-take-in-venezuelan-refugees-source-idUSKCN1P22G0>

trade unions, employment agencies, and human resources departments.<sup>124</sup> The guide provides questions, answers, and concerns regarding types of discrimination, the proceedings of a complaint, requirements for job applications and waivers. This guide covers all forms of employment and applies to apprenticeship programs.<sup>125</sup>

On 27 March 2019, Secretary of Welfare and Minister of Economy and Labor Rogerio Marinho stated the importance of prioritizing a fair and sustainable pension system for creating jobs and promoting economic equality.<sup>126</sup>

On 2 July 2019, the Special Secretariat of Welfare and Labour hosted a forum on the inclusion of people with disabilities in the labour market. The Program Director stated that more funding for professional qualifications should be provided to enhance the employability of people with disabilities.<sup>127</sup>

On 3 July 2019, the Commissions for the Defense of the Rights of the Elderly and the Defense of Women's Rights established a public forum to discuss "Finances and quality of life of older women."<sup>128</sup> The secretary of the Ministry of Economy's Social Security Secretariat stated that the social security system needs to be updated to accommodate for the aging population, specifically the growing female population.<sup>129</sup>

On 5 September 2019, the Special Secretariat of Welfare and Labour of the Ministry of Economy established a group to examine the Brazilian labour market and its relationship to the modernization of labour relations and the future of labour.<sup>130</sup> These groups will include Labour Economics, Labour Law and Legal Security, Labour and Social Security, and Freedom of Association.<sup>131</sup>

Brazil fully complied with its commitment to take measures towards quality apprenticeship and poverty alleviation and reduction through skill development. It has provided lifelong vocational training and learning systems, enforced occupational health and safety, updated unemployment insurance processes, and strengthened cooperation in areas of training relevant to the fast-changing

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<sup>124</sup> Guia orienta sobre prevenção e combate à discriminação no trabalho, Ministério do Trabalho (Brasilia) 28 December 2018. Access Date: 2 January 2019. <http://trabalho.gov.br/noticias/6838-guia-orienta-sobre-prevencao-e-combate-a-discriminacao-no-trabalho>

<sup>125</sup> Guia orienta sobre prevenção e combate à discriminação no trabalho, Ministério do Trabalho (Brasilia) 28 December 2018. Access Date: 2 January 2019. <http://trabalho.gov.br/noticias/6838-guia-orienta-sobre-prevencao-e-combate-a-discriminacao-no-trabalho>

<sup>126</sup> Na Câmara, Marinho diz que Nova Previdência tornará o sistema mais justo e sustentável, Ministério do Trabalho (Brasilia) 27 March 2019. Access Date: 10 September 2019. <http://trabalho.gov.br/noticias/6924-na-camara-marinho-diz-que-nova-previdencia-tornara-o-sistema-mais-justo-e-sustentavel>

<sup>127</sup> Fórum debate desafios para a inclusão de pessoas com deficiência no mercado de trabalho, Ministério do Trabalho (Brasilia) 2 July 2019. Access Date: 12 September 2019. <http://trabalho.gov.br/noticias/7148-forum-debate-desafios-para-a-inclusao-de-pessoas-com-deficiencia-no-mercado-de-trabalho>

<sup>128</sup> Nova Previdência é importante para assegurar a proteção social das idosas, Ministério do Trabalho (Brasilia) 3 July 2019. Access Date: 12 September 2019. <http://trabalho.gov.br/noticias/7149-nova-previdencia-e-importante-para-assegurar-a-protectao-social-das-idosas>

<sup>129</sup> Nova Previdência é importante para assegurar a proteção social das idosas, Ministério do Trabalho (Brasilia) 3 July 2019. Access Date: 12 September 2019. <http://trabalho.gov.br/noticias/7149-nova-previdencia-e-importante-para-assegurar-a-protectao-social-das-idosas>

<sup>130</sup> Governo federal instala grupo para analisar mercado de trabalho no Brasil, Ministério do Trabalho (Brasilia) 5 September 2019. Access Date: 12 September 2019. <http://trabalho.gov.br/noticias/7230-governo-federal-instala-grupo-para-analisar-mercado-de-trabalho-no-brasil>

<sup>131</sup> Federal government sets up group to analyze labour market in Brazil, Ministério do Trabalho (Brasilia) 5 September 2019. Access Date: 12 September 2019. <http://trabalho.gov.br/noticias/7230-governo-federal-instala-grupo-para-analisar-mercado-de-trabalho-no-brasil>

demand of growing economies and world of work. Brazil has deepened apprenticeship programs regarding micro, small and medium-sized enterprises.

Thus, Brazil receives a score of +1.

*Analysts: Kelley Prendergast and Matthew Kivell*

### **Russia: 0**

Russia has partially complied with its commitment to implement the policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation and Reduction through Skills, to further facilitate vocational training, lifelong learning and the training that is relevant to the fast-changing demand of growing economies and world of work.

On 22-23 September 2018, the World Skills championship among senior persons (older 50) finished in Moscow under the auspice of the Ministry of Labor of Russia as a co-organizer of the event.<sup>132</sup>

On 12 October 2018, the Ministry of Labor presented plan of actions for 2019-2024 concerning vocational and professional training aimed at senior cohort of Russia's population. The list of proposed actions include budget transfers for the country's regions and senior-oriented programs of vocational training.<sup>133</sup>

Russia took actions to promote the BRICS Action Plan for Poverty Alleviation and Reduction through skills, by integrating senior groups into national plans for vocational training.

Thus, Russia receives a score of 0.

*Analysts: Geordie Jeakins and Agnes Priscilla Layarda*

### **India: +1**

India fully complied with its commitment to implement the policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation and Reduction through Skills, to further facilitate vocational training, lifelong learning and the training that is relevant to the fast-changing demand of growing economies and world of work.

In September 2018, the Ministry of Labour's monthly progress report announced that 711 training programs were organized by the Dattopant Thengadi National Board for Workers Education and Development for the benefit of 26,659 workers who belong to organized, unorganized and rural sectors, as well as 21 other programs further benefiting 840 workers.<sup>134</sup>

On 5 September 2018, the Ministry of Skill Development and Entrepreneurship announced several initiatives to strengthen the skills ecosystem in India and increase the standardization in the skilled workforce.<sup>135</sup>

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<sup>132</sup> World Skills championship for seniors finished in Moscow 24 September 2018. Access date: 6 March 2019.  
<https://rosmintrud.ru/labour/relationship/330>

<sup>133</sup> Announcement № 16-2/10/B-7883 12 October 2018. Access date: 6 March 2019. <https://rosmintrud.ru/docs/1316>

<sup>134</sup> Monthly Progress Report September 2018, Government of India Ministry of Labour and Employment (New Delhi)  
Access Date: 1 March 2019. [https://labour.gov.in/sites/default/files/Monthly\\_Progress\\_Report\\_September\\_2018.pdf](https://labour.gov.in/sites/default/files/Monthly_Progress_Report_September_2018.pdf)

<sup>135</sup> Shri Dharmendra Pradhan launched an array of initiatives towards strengthening the skills ecosystem, Ministry of Skill Development and Entrepreneurship (New Delhi) 5 September 2018. Access Date: 1 March 2019.  
[https://www.msde.gov.in/assets/images/latest%20news/Press%20Release%20\\_%20Shri%20Dharmendra%20Pradhan%20launched%20an%20array%20of%20initiatives%20towards%20strengthening%20the%20skills%20ecosystem.pdf](https://www.msde.gov.in/assets/images/latest%20news/Press%20Release%20_%20Shri%20Dharmendra%20Pradhan%20launched%20an%20array%20of%20initiatives%20towards%20strengthening%20the%20skills%20ecosystem.pdf)

On 15 September 2018, Honourable Minister of Petroleum and Natural Gas and Skill Development and Entrepreneurship Shri Dharmendra Pradhan attended the Global Skills Summit organized by the Federation of Indian Chambers of Commerce and Industry. Minister Shri Pradhan announced the launch and development of new courses in emerging areas such as cyber-security, artificial intelligence and big data analytics.<sup>136</sup>

On 2 October 2018, the inaugural and largest IndiaSkills Nationals Competition took place in New Delhi. The competition hosted over 400 participants from across 27 states and union territories, who showcased their talent through competitions in 45 skills, 10 traditional skills and 4 demo skills. Dr. KP Krishnan, Secretary of the Ministry of Skill Development and Entrepreneurship, commented: “IndiaSkills 2018 promotes the aspirational value of acquiring skills. The Government has been offering assistance to states and we have organized over 150 workshops to improve participation in these competitions.”<sup>137</sup>

On 10 October 2018, the government announced that it will combine the National Council for Vocational Training and National Skill Development Agency into the National Council for Vocational Education and Training, in an effort to encourage private investment and employer participation.<sup>138</sup> Additionally, the government announced the establishment of an independent regulator for skills training, in order to improve the quality of skills training in comparison to training previously delivered by the Ministry for Skill Development and Entrepreneurship.

In February 2019, 407 training programmes were organized by the DTNBED for the benefit of 12601 workers belonging to organized, unorganized and rural sectors. 17 training programmes were organised by the DTNBED for the benefit of 656 workers belonging to MGNREGA programmes. Similar training programmes were carried out in the months of March, April, May, June, July and August of 2019. V.V.Giri National Labour Institute organized 13 training programmes and one workshop during the month of February 2019. The ITEC-SCAAP of the Ministry of External Affairs held an international training programme on ‘Health security and Protection of Workers’ from 4-22 February 2019, attended by 17 countries.<sup>139</sup>

In June 2019, under the STRIVE (Skill Strengthening for Industrial Value Enhancement) project, the State Apprenticeship Monitoring Cell (SAMC) for 6 States (Karnataka, Punjab, Assam, Rajasthan, Manipur, Meghalaya) were approved.<sup>140</sup>

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<sup>136</sup> Shri Dharmendra Pradhan attended the Global Skills Summit 2018 and announced new IT-ITeS Courses under Skill India to Create a FutureReady Workforce, Ministry of Skill Development and Entrepreneurship (New Delhi) 15 September 2018. Access Date: 1 March 2019.

<https://www.msde.gov.in/assets/images/latest%20news/Press%20Release%20-%20Shri%20Dharmendra%20Pradhan%20attended%20the%20Global%20Skills%20Summit%202018.pdf>

<sup>137</sup> Shri Dharmendra Pradhan inaugurates IndiaSkills Nationals 2018, the country's biggest Skills Competition; Event commences with a grand ceremony in New Delhi, Ministry of Skill Development and Entrepreneurship (New Delhi) 2 October 2018. <https://www.msde.gov.in/assets/images/latest%20news/Press%20release-IndiaSkills%20Nationals%202018%20Oct%20-Final.pdf>

<sup>138</sup> Cabinet approves merger of National Council for Vocational Training, NCVT and National Skill Development Agency, NSDA to establish National Council for Vocational Education and Training, NCVET, Press Information Bureau, Government of India, Cabinet (Raipur) 10 October 2018. Access Date: 1 March 2019.

<http://pib.nic.in/newsite/PrintRelease.aspx?relid=184072>

<sup>139</sup> Subject: Forwarding of Monthly Report in respect of Ministry of Labour & Employment for the month of February, 2019, Government of India Ministry of Labour and Employment (New Delhi) 13 March 2019. Access Date: 12 October 2019. [https://labour.gov.in/sites/default/files/Monthly\\_Report\\_Feb\\_2019.pdf](https://labour.gov.in/sites/default/files/Monthly_Report_Feb_2019.pdf)

<sup>140</sup> Monthly Summary for the month of June 2019, Ministry of Skill Development and Entrepreneurship (MSDE) (New Delhi) June 2019. Access Date: 12 October 2019.

<https://www.msde.gov.in/assets/images/monthly%20summary/Jun2019.pdf>

On 15 July 2019, which is World Skills Day, Kaushal Pakhwada, a 15-day campaign from 16-31 July 2019 was launched, under which sessions and workshops were conducted across the country to aspire young trainees under the Skill India Mission. Additionally, Yuva Kaushal Samwaad, a two-week consulting programme, was organised on a nationwide scale to engage young job-seekers and identify opportunities to help the Ministry in building upon existing programmes and improving overall efficiency of its projects.<sup>141</sup>

On 5-6 August 2019, officials of National Skills Training Institutes (NSTIs) participated in a two-day workshop organized by the NSDC regarding the Joint Certification for Training of Trainers (TOT) program implemented at NSTIs as per the new guidelines developed in collaboration with Singapore Polytechnic. This is one of the initiatives taken up by the MSDE for convergence of long-term and short-term skilling ecosystems.

On 26-27 September 2019, under the skill development programme, the National Apprenticeship Promotion Scheme (NAPS) organized an industry linkage workshop for apprenticeship promotion. Under NAPS, the apprenticeship programme would be made mandatory in all industrial units in order to strengthen the skill development programme.

India has complied with this commitment by implementing the policy recommendations proposed in the G20 Initiative and BRICS Action Plan. It has also increased internship and vocational training opportunities while organizing workshops and programs that speak to the demands of the future of work, as recommended by the BRICS Action Plan for Poverty Alleviation and Reduction through Skills.

Thus, India receives a score of +1.

*Analysts: Parul Wadhawan and Jack Mageau*

### **China: +1**

China fully complied with its commitment to implement the policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation and Reduction through Skills, to further facilitate vocational training, lifelong learning and the training that is relevant to the fast-changing demand of growing economies and world of work.

On 3 September 2018, during the Beijing Summit of the Forum on China-Africa Cooperation (FOCAC), China announced that it will establish 10 Luban Workshops in Africa by 2020 to offer vocational training for young Africans and support the opening of a China-Africa innovation cooperation center for youth innovation and entrepreneurship.<sup>142</sup> The workshops aim to share China's development practices with Africa and support cooperation with the continent regarding economic and social development planning.<sup>143</sup>

On 4 September 2018, President Xi Jinping and South African President Cyril Ramaphosa adopted the FOCAC Action Plan (2019-2021).<sup>144</sup> In section 4.3.3 of the FOCAC Action Plan, China declared

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<sup>141</sup> Monthly Summary for the month of July 2019, Ministry of Skill Development and Entrepreneurship (MSDE) (New Delhi) July 2019. Access Date: 12 October 2019.

<https://www.msde.gov.in/assets/images/monthly%20summary/Jul2019.pdf>

<sup>142</sup> Feature: Zambian youth hail China's Africa capacity building initiative, Xinhua News (Lusaka) 15 September 2018. Access Date: 12 January 2019. [http://www.xinhuanet.com/english/2018-09/15/c\\_137470258.htm](http://www.xinhuanet.com/english/2018-09/15/c_137470258.htm)

<sup>143</sup> Feature: Zambian youth hail China's Africa capacity building initiative, Xinhua News (Lusaka) 15 September 2018. Access Date: 12 January 2019. [http://www.xinhuanet.com/english/2018-09/15/c\\_137470258.htm](http://www.xinhuanet.com/english/2018-09/15/c_137470258.htm)

<sup>144</sup> Beijing declaration, action plan adopted at FOCAC summit, Xinhua News (Beijing) 5 September 2018. Access Date: 11 January 2019. [http://www.xinhuanet.com/english/2018-09/05/c\\_137444719\\_2.htm](http://www.xinhuanet.com/english/2018-09/05/c_137444719_2.htm)

that it will carry out tailor-made programs to train 1,000 high-calibre Africans.<sup>145</sup> China will also provide 50,000 government scholarships and 50,000 training opportunities through seminars and workshops to train more African professionals of different disciplines.<sup>146</sup> Both parties committed to the continued implementation of the 20+20 Cooperation Plan for Chinese and African Institutions of Higher Education.<sup>147</sup>

On 4 September 2018, President Xi and South African President Cyril Ramaphosa adopted the Beijing Declaration Toward an Even Stronger China-Africa Community with a Shared Future.<sup>148</sup> In the Declaration, both states encouraged further exchanges of education, science and technology to consolidate China-Africa relations.<sup>149</sup>

On 27 September 2018, the Principle Secretary of the Ministry of Information and Communication Technologies (ICT) Jerome Ochieng and the Chargé d'Affaires of the Chinese Embassy in Kenya Li Xuhang launched the fifth cohort of the Huawei Seeds for the Future Program.<sup>150</sup> Nine students will travel to China for two-weeks of ICT training at Huawei's global headquarters in Shenzhen.<sup>151</sup> The Seeds for the Future program intends to foster the skills and talents necessary to drive digital transformation in Kenya.<sup>152</sup> The signed memorandum of understanding promotes ICT literacy, research and innovation, building ICT capacity amongst government and ICT ecosystems, sharing best practices on ICT technologies and developing necessary infrastructure.<sup>153</sup>

On 17 October 2018, the Ministry of Education held the “Poverty Alleviation through Education Forum 2018” in Beijing.<sup>154</sup> Vice Minister of Education Sun Yao delivered a speech at the forum, calling on “educational authorities at all levels” to “prioritize poverty relief in action and policies” with a focus on economically disadvantaged areas in western China.<sup>155</sup> President Xi, through written

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<sup>145</sup> Beijing declaration, action plan adopted at FOCAC summit, Xinhua News (Beijing) 5 September 2018. Access Date: 11 January 2019. [http://www.xinhuanet.com/english/2018-09/05/c\\_137444719\\_2.htm](http://www.xinhuanet.com/english/2018-09/05/c_137444719_2.htm)

<sup>146</sup> Beijing declaration, action plan adopted at FOCAC summit, Xinhua News (Beijing) 5 September 2018. Access Date: 11 January 2019. [http://www.xinhuanet.com/english/2018-09/05/c\\_137444719\\_2.htm](http://www.xinhuanet.com/english/2018-09/05/c_137444719_2.htm)

<sup>147</sup> Forum on China-Africa Cooperation Beijing Action Plan, China Foreign Ministry (Beijing) 5 September 2018. Access Date: 12 January 2019. [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1593683.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1593683.shtml)

<sup>148</sup> Beijing declaration, action plan adopted at FOCAC summit, Xinhua News (Beijing) 5 September 2018. Access Date: 11 January 2019. [http://www.xinhuanet.com/english/2018-09/05/c\\_137444719\\_2.htm](http://www.xinhuanet.com/english/2018-09/05/c_137444719_2.htm)

<sup>149</sup> Beijing declaration- Toward an Even Strong China-Africa Community with a Shared Future, China Foreign Ministry (Beijing) 5 September 2018. Access Date: 10 January 2019.

[https://www.fmprc.gov.cn/mfa\\_eng/wjdt\\_665385/2649\\_665393/t1593686.shtml](https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t1593686.shtml)

<sup>150</sup> Huawei sends tech students to China for training as it celebrates nurturing ICT skills, China Daily (Beijing) 28 September 2018. Access Date: 12 January 2019.

<http://www.chinadaily.com.cn/a/201809/28/WS5bad255aa310eff30327fdd9.html>

<sup>151</sup> Huawei sends tech students to China for training as it celebrates nurturing ICT skills, China Daily (Beijing) 28 September 2018. Access Date: 12 January 2019.

<http://www.chinadaily.com.cn/a/201809/28/WS5bad255aa310eff30327fdd9.html>

<sup>152</sup> Huawei sends tech students to China for training as it celebrates nurturing ICT skills, China Daily (Beijing) 28 September 2018. Access Date: 12 January 2019.

<http://www.chinadaily.com.cn/a/201809/28/WS5bad255aa310eff30327fdd9.html>

<sup>153</sup> Huawei sends tech students to China for training as it celebrates nurturing ICT skills, China Daily (Beijing) 28 September 2018. Access Date: 12 January 2019.

<http://www.chinadaily.com.cn/a/201809/28/WS5bad255aa310eff30327fdd9.html>

<sup>154</sup> Advance poverty relief effort, president urges, China Daily (Beijing) 18 October 2018. Access Date: 9 October 2019.

<http://www.chinadaily.com.cn/a/201810/18/WS5bc79058a310eff303282fae.html>

<sup>155</sup> Poverty Alleviation through Education Forum 2018 held in Beijing, Ministry of Education (Beijing) 17 October 2018. Access Date: 9 October 2019. <http://en.moe.gov.cn/Specials/PovertyAlleviationthroughEducation2018/>

instruction, also called on officials attending the forum to “take concrete actions and make united efforts” in the fight against poverty.<sup>156</sup>

On 18 October 2018, the China Annual Conference for International Education and Expo (CACIE) was held in Beijing. During the conference, 26 parallel sessions took place, discussing topics around vocational education, lifelong education, women sustainable development, and education and ICT.<sup>157</sup> The 2018 China Education Expo, also a key component of the 19th CACIE, attracted 550 educational exhibitors from 36 countries and regions.<sup>158</sup> A series of reports were released, such as the Annual Report of Chinese-Foreign Joint Institutes and Programs, Internationalization of Higher Education in China 2018.<sup>159</sup> A new project was also launched at the conference, namely the Self-Improvement China Fellowship.<sup>160</sup>

On 6 November 2018, alongside representatives of the World Bank Group, International Monetary Fund, World Trade Organization, Organization for Economic Cooperation and Development, Financial Stability Board and International Labour Organization, Premier Li Keqiang hosted the 1+6 Roundtable in Beijing.<sup>161</sup> In a joint press release, representatives called for more global action to address the possible impacts of the “digital transformation” on future employment.<sup>162</sup> Specifically, the press released called upon the international community to step up relevant education, apprenticeship and vocational training to ensure appropriate skill development.<sup>163</sup>

On 5 December 2018, the State Council released a report outlining guidelines for the promotion of job stability, training, and entrepreneurship.<sup>164</sup> The report was targeted towards various internal ministries as well as enterprises, calling on them to provide employees with job security and opportunities for training and apprenticeships, while working towards reducing unemployment.<sup>165</sup>

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<sup>156</sup> Advance poverty relief effort, president urges, China Daily (Beijing) 18 October 2018. Access Date: 9 October 2019. <http://www.chinadaily.com.cn/a/201810/18/WS5bc79058a310eff303282fae.html>

<sup>157</sup> CACIE 2018 was Held Successfully, 2018 China Annual Conference for International Education & Expo (Beijing) 21st Oct 2018. Access Date: 12 January 2019. <http://www.cacie.cn/f/news?langType=en&cid=e9146000ba444a17865c58807ff1f200&childid=702d625f7a3a43d185dd00dc49c93b99>

<sup>158</sup> CACIE 2018 was Held Successfully, 2018 China Annual Conference for International Education & Expo (Beijing) 21st Oct 2018. Access Date: 12 January 2019. <http://www.cacie.cn/f/news?langType=en&cid=e9146000ba444a17865c58807ff1f200&childid=702d625f7a3a43d185dd00dc49c93b99>

<sup>159</sup> CACIE 2018 was Held Successfully, 2018 China Annual Conference for International Education & Expo (Beijing) 21st Oct 2018. Access Date: 12 January 2019. <http://www.cacie.cn/f/news?langType=en&cid=e9146000ba444a17865c58807ff1f200&childid=702d625f7a3a43d185dd00dc49c93b99>

<sup>160</sup> CACIE 2018 was Held Successfully, 2018 China Annual Conference for International Education & Expo (Beijing) 21st Oct 2018. Access Date: 12 January 2019. <http://www.cacie.cn/f/news?langType=en&cid=e9146000ba444a17865c58807ff1f200&childid=702d625f7a3a43d185dd00dc49c93b99>

<sup>161</sup> Full Text: Joint Press Release of the Third “1+6” Roundtable Xinhua News (Beijing) 6 November 2018. Access Date: 11 January 2019. [http://www.xinhuanet.com/english/2018-11/06/c\\_137586731.htm](http://www.xinhuanet.com/english/2018-11/06/c_137586731.htm)

<sup>162</sup> Full Text: Joint Press Release of the Third “1+6” Roundtable Xinhua News (Beijing) 6 November 2018. Access Date: 11 January 2019. [http://www.xinhuanet.com/english/2018-11/06/c\\_137586731.htm](http://www.xinhuanet.com/english/2018-11/06/c_137586731.htm)

<sup>163</sup> Full Text: Joint Press Release of the Third “1+6” Roundtable Xinhua News (Beijing) 6 November 2018. Access Date: 11 January 2019. [http://www.xinhuanet.com/english/2018-11/06/c\\_137586731.htm](http://www.xinhuanet.com/english/2018-11/06/c_137586731.htm)

<sup>164</sup> 国务院关于做好当前和今后一个时期促进就业工作的若干意见, State Council (Beijing) 5 December 2018. Access Date: 8 October 2019. [http://www.gov.cn/zhengce/content/2018-12/05/content\\_5345808.htm](http://www.gov.cn/zhengce/content/2018-12/05/content_5345808.htm)

<sup>165</sup> 国务院关于做好当前和今后一个时期促进就业工作的若干意见, State Council (Beijing) 5 December 2018. Access Date: 8 October 2019. [http://www.gov.cn/zhengce/content/2018-12/05/content\\_5345808.htm](http://www.gov.cn/zhengce/content/2018-12/05/content_5345808.htm)

On 11 February 2019, Premier Li Keqiang pledged at a State Council executive meeting that China will aim to lift at least 10 million people out of poverty in 2019.<sup>166</sup> At the meeting, a progress update was released, stating that 13.86 million people in China were lifted out of poverty in 2018.<sup>167</sup> Premier Li also reiterated a pledge previously made by President Xi to completely eradicate poverty in China by 2020.<sup>168</sup>

On 13 February 2019, the State Council published the “National Vocational Education Reform Implementation Plan.”<sup>169</sup> The plan contained seven key areas of reform, including improvements to China’s vocational education system, raised quality standards of vocational education, promotion of a “dual system” of education where work and study are integrated, and improvement of the system’s supervision to contribute to continual improvement.<sup>170</sup>

On 13 March 2019, Director of the State Council’s Leading Group Office of Poverty Alleviation and Development (CPAD) Liu Yongfu announced that China will strive to remove 300 counties from the poverty list by the end of the year.<sup>171</sup>

On 15 March 2019, Director of CPAD Liu Yongfu met with the United Nations Resident Coordinator in China Nicholas Rosellini. They discussed strengthening ties between China and various UN agencies on the topics of poverty alleviation and joint promotion of the Sustainable Development Goals.<sup>172</sup> Director Liu stated that China is willing to strengthen cooperation with the UN in both domestic and international poverty alleviation efforts.<sup>173</sup>

On 15 March 2019, at a press conference following the conclusion of the second session of the 13th National People’s Congress, Premier Li announced that China will aim to create at least 11 million new urban jobs in 2019.<sup>174</sup> He stated that the goal “is to generate the same amount of job opportunities as [China] did last year, which is over 13 million.”<sup>175</sup>

On 1 April 2019, 96 state-owned enterprises administered by the central government announced their support to 246 impoverished counties in rural China.<sup>176</sup> The enterprises created a poverty

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<sup>166</sup> China to lift another 10 million people out of poverty in 2019, State Council (Beijing) 11 February 2019. Access Date: 8 October 2019. [http://english.www.gov.cn/premier/news/2019/02/11/content\\_281476517496636.htm](http://english.www.gov.cn/premier/news/2019/02/11/content_281476517496636.htm)

<sup>167</sup> China to lift another 10 million people out of poverty in 2019, State Council (Beijing) 11 February 2019. Access Date: 8 October 2019. [http://english.www.gov.cn/premier/news/2019/02/11/content\\_281476517496636.htm](http://english.www.gov.cn/premier/news/2019/02/11/content_281476517496636.htm)

<sup>168</sup> China to lift another 10 million people out of poverty in 2019, State Council (Beijing) 11 February 2019. Access Date: 8 October 2019. [http://english.www.gov.cn/premier/news/2019/02/11/content\\_281476517496636.htm](http://english.www.gov.cn/premier/news/2019/02/11/content_281476517496636.htm)

<sup>169</sup> 国务院关于印发国家职业教育改革实施方案的通知, State Council (Beijing) 13 February 2019. Access Date: 8 October 2019. [http://www.gov.cn/zhengce/content/2019-02/13/content\\_5365341.htm](http://www.gov.cn/zhengce/content/2019-02/13/content_5365341.htm)

<sup>170</sup> 国务院关于印发国家职业教育改革实施方案的通知, State Council (Beijing) 13 February 2019. Access Date: 8 October 2019. [http://www.gov.cn/zhengce/content/2019-02/13/content\\_5365341.htm](http://www.gov.cn/zhengce/content/2019-02/13/content_5365341.htm)

<sup>171</sup> Poverty alleviation gains momentum, China Daily (Beijing) 14 March 2019. Access Date: 8 October 2019. <https://www.chinadailyhk.com/articles/59/201/63/1552537319473.html>

<sup>172</sup> 刘永富主任会见联合国驻华协调员罗世礼, CPAD (Beijing) 15 March 2019. Access Date: 8 October 2019. [http://www.cpad.gov.cn/art/2019/3/15/art\\_624\\_95721.html](http://www.cpad.gov.cn/art/2019/3/15/art_624_95721.html)

<sup>173</sup> 刘永富主任会见联合国驻华协调员罗世礼, CPAD (Beijing) 15 March 2019. Access Date: 8 October 2019. [http://www.cpad.gov.cn/art/2019/3/15/art\\_624\\_95721.html](http://www.cpad.gov.cn/art/2019/3/15/art_624_95721.html)

<sup>174</sup> China to ensure creation of over 11 million new urban jobs in 2019, Xinhua News Agency (Beijing) 15 March 2019. Access Date: 8 October 2019. [http://www.xinhuanet.com/english/2019-03/15/c\\_137897684.htm](http://www.xinhuanet.com/english/2019-03/15/c_137897684.htm)

<sup>175</sup> China to ensure creation of over 11 million new urban jobs in 2019, Xinhua News Agency (Beijing) 15 March 2019. Access Date: 8 October 2019. [http://www.xinhuanet.com/english/2019-03/15/c\\_137897684.htm](http://www.xinhuanet.com/english/2019-03/15/c_137897684.htm)

<sup>176</sup> China's SOEs take lead in corporate poverty relief efforts, Xinhua News Agency (Beijing) 1 April 2019. Access Date: 8 October 2019. [http://www.xinhuanet.com/english/2019-04/01/c\\_137940769.htm](http://www.xinhuanet.com/english/2019-04/01/c_137940769.htm)

alleviation fund pool amounting to RMB18.18 billion, and invested RMB14 billion in approximately 100 poverty alleviation projects.<sup>177</sup>

On 30 April 2019, the State Council announced that RMB100 billion from the Unemployment Insurance Fund will be allocated to enhancing the Chinese workforce through vocational training programs.<sup>178</sup> In addition, the State Council also adopted a plan to expand enrollment in vocational colleges by one million in order to raise the number of skilled workers in the workforce.<sup>179</sup>

On 24 May 2019, the State Council published the Career Skills Improvement Action Plan (2019-2021).<sup>180</sup> The plan outlines targeted vocational programs for various types of employees and skill sets, and calls on enterprises to develop vocational training programs that boost the capacity of China's vocational education system.<sup>181</sup> The plan also calls for the implementation of vocational training subsidies to allow for individuals from disadvantaged backgrounds or circumstances to participate in fully subsidized vocational training.<sup>182</sup>

On 4 June 2019, the Ministry of Education released a circular calling on local governments, enterprises, and schools to offer joint apprenticeship programs.<sup>183</sup> The circular also called for the implementation of a "double mentor" system where school teachers and enterprise mentors work together to provide learning opportunities for apprentices.<sup>184</sup>

On 5 June 2019, the Ministry of Education released a statistical report on vocational education in 2018.<sup>185</sup> The report gave an overview of China's vocational education system and various statistics on vocational colleges and student enrollment.<sup>186</sup> In 2018, China's 11,700 vocational institutions had approximately 9.3 million newly-enrolled students and approximately 26.9 million total registered students.<sup>187</sup>

On 26 June 2019, Deputy Director of CPAD Chen Zhigang stated at the 13th China-Association of Southeast Asian Nations (ASEAN) Forum on Social Development and Poverty Reduction that poverty alleviation is a common goal of China and ASEAN members. He also stated that the status

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<sup>177</sup> China's SOEs take lead in corporate poverty relief efforts, Xinhua News Agency (Beijing) 1 April 2019. Access Date: 8 October 2019. [http://www.xinhuanet.com/english/2019-04/01/c\\_137940769.htm](http://www.xinhuanet.com/english/2019-04/01/c_137940769.htm)

<sup>178</sup> China to bolster vocational education, expand enrollment, State Council (Beijing) 30 April 2019. Access Date: 8 October 2019. [http://english.www.gov.cn/premier/news/2019/04/30/content\\_281476637627986.htm](http://english.www.gov.cn/premier/news/2019/04/30/content_281476637627986.htm)

<sup>179</sup> China to bolster vocational education, expand enrollment, State Council (Beijing) 30 April 2019. Access Date: 8 October 2019. [http://english.www.gov.cn/premier/news/2019/04/30/content\\_281476637627986.htm](http://english.www.gov.cn/premier/news/2019/04/30/content_281476637627986.htm)

<sup>180</sup> 国务院办公厅关于印发职业技能提升行动方案（2019—2021年）的通知, State Council (Beijing) 24 May 2019. Access Date: 8 October 2019. [http://www.gov.cn/zhengce/content/2019-05/24/content\\_5394415.htm](http://www.gov.cn/zhengce/content/2019-05/24/content_5394415.htm)

<sup>181</sup> 国务院办公厅关于印发职业技能提升行动方案（2019—2021年）的通知, State Council (Beijing) 24 May 2019. Access Date: 8 October 2019. [http://www.gov.cn/zhengce/content/2019-05/24/content\\_5394415.htm](http://www.gov.cn/zhengce/content/2019-05/24/content_5394415.htm)

<sup>182</sup> 国务院办公厅关于印发职业技能提升行动方案（2019—2021年）的通知, State Council (Beijing) 24 May 2019. Access Date: 8 October 2019. [http://www.gov.cn/zhengce/content/2019-05/24/content\\_5394415.htm](http://www.gov.cn/zhengce/content/2019-05/24/content_5394415.htm)

<sup>183</sup> China's enterprises, schools to jointly offer apprenticeship programs, China Daily (Beijing) 4 June 2019. Access Date: 8 October 2019. <http://www.chinadaily.com.cn/a/201906/04/WS5cf68453a310519142701062.html>

<sup>184</sup> China's enterprises, schools to jointly offer apprenticeship programs, China Daily (Beijing) 4 June 2019. Access Date: 8 October 2019. <http://www.chinadaily.com.cn/a/201906/04/WS5cf68453a310519142701062.html>

<sup>185</sup> Statistical report on China's vocational education in 2018, Ministry of Education (Beijing) 5 June 2019. Access Date: 8 October 2019. [http://en.moe.gov.cn/documents/reports/201906/t20190605\\_384566.html](http://en.moe.gov.cn/documents/reports/201906/t20190605_384566.html)

<sup>186</sup> Statistical report on China's vocational education in 2018, Ministry of Education (Beijing) 5 June 2019. Access Date: 8 October 2019. [http://en.moe.gov.cn/documents/reports/201906/t20190605\\_384566.html](http://en.moe.gov.cn/documents/reports/201906/t20190605_384566.html)

<sup>187</sup> Statistical report on China's vocational education in 2018, Ministry of Education (Beijing) 5 June 2019. Access Date: 8 October 2019. [http://en.moe.gov.cn/documents/reports/201906/t20190605\\_384566.html](http://en.moe.gov.cn/documents/reports/201906/t20190605_384566.html)

of the forum needs to be strengthened in order to attract more diverse collaborators to work towards that goal.<sup>188</sup>

On 5 July 2019, the Ministry of Finance and the Ministry of Education announced that the quota for national scholarships for outstanding students attending vocational colleges will be increased from 50,000 to 60,000.<sup>189</sup>

On 16 August 2019, the State Council Information Office published a white paper on vocational education and training in the Xinjiang Autonomous Region.<sup>190</sup> The white paper outlined the vocational education system in place, including background information about the system and educational content.<sup>191</sup> The paper also stated that the system was a method to address “both the symptoms and root causes” of terrorism and religious extremism. The system was established as a “forceful response” to provide vocational training to radicalized individuals, who would then be free to enter the workforce upon graduation.<sup>192</sup>

On 6 October 2019, the China Development Bank announced that RMB142.9 billion in poverty alleviation loans was issued in the first eight months of 2019. The Bank plans to continue issuing loans up to a total of RMB300 billion for targeted poverty alleviation in 2019.<sup>193</sup>

China has taken substantial measures towards the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation and Reduction through Skills through vocational training, lifelong learning, and training that is relevant to the fast-changing demand of growing economies and world of work.

Thus, China receives a score of +1.

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### **South Africa: +1**

South Africa fully complied with its commitment to implement the policy recommendations proposed in the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation and Reduction through Skills, to further facilitate vocational training, lifelong learning and the training that is relevant to the fast-changing demand of growing economies and world of work.

On 3 August 2018, Deputy Minister of Trade and Industry Bulelani Magwanishe emphasized that the Department of Trade and Industry has been and will continue to create a workshop that will assist businesses in the local economy and “[develop] a suite of incentives targeted at inclusive growth, producing black industrialists and access to lucrative opportunities for previously disadvantaged

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<sup>188</sup> 陈志刚：中国愿与东盟国家一道推动减贫, CPAD (Beijing) 27 June 2019. Access Date: 8 October 2019.

[http://www.cpad.gov.cn/art/2019/6/27/art\\_624\\_99302.html](http://www.cpad.gov.cn/art/2019/6/27/art_624_99302.html)

<sup>189</sup> China to increase financial support for vocational education, Xinhua News Agency (Beijing) 5 July 2019. Access Date: 8 October 2019. [http://www.xinhuanet.com/english/2019-07/05/c\\_138202243.htm](http://www.xinhuanet.com/english/2019-07/05/c_138202243.htm)

<sup>190</sup> Vocational Education and Training in Xinjiang, State Council (Beijing) 17 August 2019. Access Date: 8 October 2019. [http://english.www.gov.cn/archive/whitepaper/201908/17/content\\_WS5d57573cc6d0c6695ff7ed6c.html](http://english.www.gov.cn/archive/whitepaper/201908/17/content_WS5d57573cc6d0c6695ff7ed6c.html)

<sup>191</sup> Vocational Education and Training in Xinjiang, State Council (Beijing) 17 August 2019. Access Date: 8 October 2019. [http://english.www.gov.cn/archive/whitepaper/201908/17/content\\_WS5d57573cc6d0c6695ff7ed6c.html](http://english.www.gov.cn/archive/whitepaper/201908/17/content_WS5d57573cc6d0c6695ff7ed6c.html)

<sup>192</sup> Vocational Education and Training in Xinjiang, State Council (Beijing) 17 August 2019. Access Date: 8 October 2019. [http://english.www.gov.cn/archive/whitepaper/201908/17/content\\_WS5d57573cc6d0c6695ff7ed6c.html](http://english.www.gov.cn/archive/whitepaper/201908/17/content_WS5d57573cc6d0c6695ff7ed6c.html)

<sup>193</sup> China Development Bank issues 20 bln USD of poverty relief loans, Xinhua News Agency (Beijing) 6 October 2019. Access Date: 8 October 2019. [http://www.xinhuanet.com/english/2019-10/06/c\\_138451571.htm](http://www.xinhuanet.com/english/2019-10/06/c_138451571.htm)

members” of local communities.<sup>194</sup> Furthermore, Magwanishe stated that the Department of Trade and Industry will also assist in training individuals for the external markets, while prioritizing local markets.<sup>195</sup> In conjunction with Deputy Minister of Telecommunications and Postal Services Stella Ndabeni-Abrahams, Deputy Minister Magwanishe further announced that “three computer centres ... and 50 bicycles” have been donated to households at Mjele Secondary School to assist students in their vocational training.<sup>196</sup>

On 16 August 2018, the Chief Executive Officers of the Special Economic Zones (SEZ) met to discuss the coordination and strengthening of SEZ performance.<sup>197</sup> SEZs in South Africa are designated areas for the promotion of growth and exports in investments and technology.<sup>198</sup> Chief Director of Special Economic Zones at the Department of Trade and Industry Maoto Molefane commented on job creation by stating that tax incentives through the program will create an increase of between 12,000 to 20,000 available local jobs over the next three years.<sup>199</sup>

On 24 August 2018, the Department of Trade and Industry announced its support for South African companies participating in the Outward Selling Mission on 3-6 September 2018 in Lima, Peru.<sup>200</sup> This mission aims to increase and strengthen existing bilateral trade relations between South Africa and Peru, among other Latin American countries. Minister of Trade and Industry Rob Davies stated the goal “to grow the South African manufacturing sector in order to promote industrial development, job creation, investment and exports,” and in turn create more employment opportunities for the local population.<sup>201</sup>

On 27 August 2018, Minister of Trade and Industry Dr. Rob Davies spoke at the Women Empowerment Conference hosted by B-BBEE. He stated that one of the program’s main objectives is to increase access to economic activities, infrastructure and skills development for women.<sup>202</sup> Davies also noted that the current increase of women in the South African workforce cannot be

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<sup>194</sup> Government Committed to Partnerships that will Uplift Local Economies, Department: Trade and Industry, Republic of South Africa (Pietermaritzburg) 3 August 2018. Access Date: 13 January 2019.  
<http://www.thedti.gov.za/editmedia.jsp?id=5536>

<sup>195</sup> Government Committed to Partnerships that will Uplift Local Economies, Department: Trade and Industry, Republic of South Africa (Pietermaritzburg) 3 August 2018. Access Date: 13 January 2019.  
<http://www.thedti.gov.za/editmedia.jsp?id=5536>

<sup>196</sup> Government Committed to Partnerships that will Uplift Local Economies, Department: Trade and Industry, Republic of South Africa (Pietermaritzburg) 3 August 2018. Access Date: 13 January 2019.  
<http://www.thedti.gov.za/editmedia.jsp?id=5536>

<sup>197</sup> Special Economic Zones’ Heads Meet to Strategise, Department: Trade and Industry, Republic of South Africa (Port Elizabeth) 16 August 2018. Access Date: 13 January 2019. <http://www.thedti.gov.za/editmedia.jsp?id=5539>

<sup>198</sup> Special Economic Zones (SEZ), SARS (Pretoria) 10 December 2018. Access Date: 1 March 2019.  
<http://www.sars.gov.za/ClientSegments/Customs-Excise/Processing/Pages/Special-Economic-Zones.aspx>

<sup>199</sup> Special Economic Zones’ Heads Meet to Strategise, Department: Trade and Industry, Republic of South Africa (Port Elizabeth) 16 August 2018. Access Date: 13 January 2019. <http://www.thedti.gov.za/editmedia.jsp?id=5539>

<sup>200</sup> The dti Assists SA Companies to Explore Trade and Investment Opportunities in Peru, Department: Trade and Industry, Republic of South Africa (Pretoria) 24 August 2018. Access Date: 13 January 2019.  
<http://www.thedti.gov.za/editmedia.jsp?id=5551>

<sup>201</sup> The dti Assists SA Companies to Explore Trade and Investment Opportunities in Peru, Department: Trade and Industry, Republic of South Africa (Pretoria) 24 August 2018. Access Date: 13 January 2019.  
<http://www.thedti.gov.za/editmedia.jsp?id=5551>

<sup>202</sup> Removing Barriers for Effective Economic Participation of Women Critical for Empowerment, Department: Trade and Industry, Republic of South Africa (Pretoria) 27 August 2018. Access Date: 13 January 2019.  
<http://www.thedti.gov.za/editmedia.jsp?id=5553>

sustained without access to adequate funding from the government and other funding organizations.<sup>203</sup>

On 28 August 2018, the Deputy Director-General of Special Economic Zones and Economic Transformation at the Department of Trade and Industry, Sipho Zikode, stated that South Africa's Workplace Challenge Program — a program with the goal of improving the country's productivity and competitiveness — has empowered entrepreneurs and supported the “national government's objective of job creation.”<sup>204</sup> Furthermore, Zikode noted that the Workplace Challenge Program has been integral to decentralizing industry in South Africa and allowing for the participation of individuals who would otherwise not have an opportunity to enter the workforce.<sup>205</sup>

On 23 October 2018, the Department of Public Works released a press statement emphasizing its objective of creating work and training opportunities.<sup>206</sup> The department will work with public, business, labour and community partners through the Expanded Public Works Programme (EPWP).<sup>207</sup> The EPWP is a long-term strategy to reduce unemployment and alleviate poverty through labour-intensive methods. Several projects operated by the Department aimed at benefiting the unemployed community include the National Youth Service, the Youth Environment Services, the Vuk'uphile Contractor Learnership Programme and Working for Water Programmes.<sup>208</sup> The department is also seeking to increase workplace participation, guarantee training demanded by the private sector, and provide mentorship to learner contractors.<sup>209</sup>

On 25 October 2018, the Department of Labour announced to its stakeholders the central goal of reducing the wage gap. During an employment equity roadshow in Pretoria, the Department reaffirmed its commitment to alleviating poverty levels by exerting more pressure on employers to close the wage gap between highest and lowest-paid employees.<sup>210</sup> This policy is intended to transform the currently dissatisfactory progress in improving workplace equity by requiring employers to file an equity statement to the National Minimum Wage Commission.<sup>211</sup>

On 15 November 2018, a Department of Trade and Industry official delivered a keynote speech during the Vhembe Small Medium Micro Enterprise Summit stressing the role of job creation in building a prosperous South Africa.<sup>212</sup> The speaker reiterated the need to support disadvantaged

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<sup>203</sup> Removing Barriers for Effective Economic Participation of Women Critical for Empowerment, Department: Trade and Industry, Republic of South Africa (Pretoria) 27 August 2018. Access Date: 13 January 2019.

<http://www.thedti.gov.za/editmedia.jsp?id=5553>

<sup>204</sup> Productivity Improvement Programme Part of Government Economic Empowerment Initiative, Department: Trade and Industry, Republic of South Africa (eMalahleni) 28 August 2018. Access Date: 13 January 2019.

<http://www.thedti.gov.za/editmedia.jsp?id=5560>

<sup>205</sup> Productivity Improvement Programme Part of Government Economic Empowerment Initiative, Department: Trade and Industry, Republic of South Africa (eMalahleni) 28 August 2018. Access Date: 13 January 2019.

<http://www.thedti.gov.za/editmedia.jsp?id=5560>

<sup>206</sup> Public Works expands creation of work and training opportunities, South African Government (Pretoria) 23 October 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/work-opportunities-23-oct-2018-0000>

<sup>207</sup> Public Works expands creation of work and training opportunities, South African Government (Pretoria) 23 October 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/work-opportunities-23-oct-2018-0000>

<sup>208</sup> Public Works expands creation of work and training opportunities, South African Government (Pretoria) 23 October 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/work-opportunities-23-oct-2018-0000>

<sup>209</sup> Public Works expands creation of work and training opportunities, South African Government (Pretoria) 23 October 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/work-opportunities-23-oct-2018-0000>

<sup>210</sup> Labour on reducing wage gap, South African Government (Pretoria) 25 October 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/reducing-wage-gap-25-oct-2018-0000>

<sup>211</sup> Labour on reducing wage gap, South African Government (Pretoria) 25 October 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/reducing-wage-gap-25-oct-2018-0000>

<sup>212</sup> Vhembe SMME Summit, Department: Trade and Industry, Republic of South Africa. 16 November 2018. Access Date: 12 January 2019. <http://www.dti.gov.za/editspeeches.jsp?id=5679>

groups such as women, youth, small businesses and co-operatives.<sup>213</sup> The department, along with other government agencies, will undertake training for entrepreneurs in the Vhembe province to further the region's economic potential and foster a favourable business environment. The scheme will focus on the sectors of fertilizer production, fibre processing, furniture manufacturing, food and beverage processing (with a special consideration for black winemakers) and feed production.<sup>214</sup> Further, programs for special economic zones and black industrialists were also discussed as a means of facilitating growth and industrial development.<sup>215</sup>

On 27 November 2018, the Committee on Labour welcomed the signing of a new labour law amendment bill, introduced by the president to address workplace conditions.<sup>216</sup> The amendment will allow for parental leave and adoption leave, as well as accord fathers equality in relation to paternal leaves.<sup>217</sup> The bill is aimed at furthering gender neutrality and advancing family values.<sup>218</sup>

On 7 December 2018, South Africa introduced its first minimum wage law.<sup>219</sup> The new legislation, to be implemented from 1 January 2019 onwards, will ensure that no worker will be paid below the national minimum of ZAR20.<sup>220</sup> This law aims to better worker conditions and fight poverty and severe inequality by maintaining balance between employment levels and worker incomes.<sup>221</sup> In addition, the President called upon businesses to adapt to the impending 4<sup>th</sup> Industrial Revolution, stating that "we must invest in the capabilities of our people, providing them with the means to acquire skills, to reskill and to upskill. We must give real effect to the notion of lifelong learning, because the skills you acquire in your 20s may be different from those that you will need in your 40s."<sup>222</sup>

On 17 December 2018, the South Africa government launched a subsidy scheme for persons with disabilities. The subsidies are intended to raise awareness and equip persons with disabilities with the necessary skills, expertise and infrastructure to contribute to the development of employment

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<sup>213</sup> Vhembe SMME Summit, Department: Trade and Industry, Republic of South Africa. 16 November 2018. Access Date: 12 January 2019. <http://www.dti.gov.za/editspeeches.jsp?id=5679>

<sup>214</sup> Vhembe SMME Summit, Department: Trade and Industry, Republic of South Africa. 16 November 2018. Access Date: 12 January 2019. <http://www.dti.gov.za/editspeeches.jsp?id=5679>

<sup>215</sup> Vhembe SMME Summit, Department: Trade and Industry, Republic of South Africa. 16 November 2018. Access Date: 12 January 2019. <http://www.dti.gov.za/editspeeches.jsp?id=5679>

<sup>216</sup> Parliament welcomes signing of Labour Laws Amendment Bill, South African Government (Pretoria) 27 November 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/committee-welcomes-signing-labour-laws-amendment-bill-president-27-nov-2018-0000>

<sup>217</sup> Parliament welcomes signing of Labour Laws Amendment Bill, South African Government (Pretoria) 27 November 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/committee-welcomes-signing-labour-laws-amendment-bill-president-27-nov-2018-0000>

<sup>218</sup> Parliament welcomes signing of Labour Laws Amendment Bill, South African Government (Pretoria) 27 November 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/committee-welcomes-signing-labour-laws-amendment-bill-president-27-nov-2018-0000>

<sup>219</sup> President Cyril Ramaphosa: Proclamation of National Minimum Wage Act, South African Government (Johannesburg) 7 December 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/address-president-cyril-ramaphosa-official-proclamation-national-minimum-wage-act-7-dec>

<sup>220</sup> President Cyril Ramaphosa: Proclamation of National Minimum Wage Act, South African Government (Johannesburg) 7 December 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/address-president-cyril-ramaphosa-official-proclamation-national-minimum-wage-act-7-dec>

<sup>221</sup> President Cyril Ramaphosa: Proclamation of National Minimum Wage Act, South African Government (Johannesburg) 7 December 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/address-president-cyril-ramaphosa-official-proclamation-national-minimum-wage-act-7-dec>

<sup>222</sup> President Cyril Ramaphosa: Proclamation of National Minimum Wage Act, South African Government (Johannesburg) 7 December 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/address-president-cyril-ramaphosa-official-proclamation-national-minimum-wage-act-7-dec>

services. The funds will be distributed between ten organizations after finalizing respective legal agreements.<sup>223</sup>

On 1 January 2019, the Global Business Services Incentive was established to create more youth opportunities.<sup>224</sup> The project targets medium to high complexity jobs, and will strive to allow youth to experience working for major global brands outside South Africa. The new incentive will introduce a minimum salary of ZAR60000 per annum for entry level roles in the industries.<sup>225</sup> In doing so, the Department of Labour has partnered with the private sector to mobilize investors into supporting the government's vision of job creation for youth.<sup>226</sup>

On 7 January 2019, the Minister of Trade and Industry Dr Rob Davies confirmed, "Areas of special interest by potential global investors are Legal Services, Finance and Accounting and IT Services. South Africa's Value Proposition remains a compelling business case for most global companies that are looking to optimize their customer solutions at a globally competitive rate."<sup>227</sup> The new incentive will also introduce a minimum salary of ZAR60,000 per annum for entry level roles in the industries.<sup>228</sup>

On 2 February 2019, the Minister of Trade and Industry noted at the South African Mining Investment Roundtable that the South African government will continue to prioritize investment to creating jobs and growing the economy in order to attract potential investors within the mining industry.<sup>229</sup>

On 30 July 2019, the Association for the Development of Education in Africa annual policy forum concluded its dialogue on secondary education in Africa, stating it is "critical to reform secondary education in Africa by enhancing the teaching profession, quality learning and 21<sup>st</sup> century skills provision, and embracing innovation and information and communication technology."<sup>230</sup> The forum discussed changing curricula to deliver relevant skills, developing a more highly trained workforce, ensuring easier accessibility to secondary education and methods to finance this transformation of the current education system.<sup>231</sup>

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<sup>223</sup> Subsidy scheme for the disabled launched in east, Rekordeast 17 December 2018. Access Date: 12 January 2019.

<https://rekordeast.co.za/193635/subsidy-scheme-for-the-disabled-launched-in-east/>

<sup>224</sup> The Global Business Services (GBS) Incentive will Create Employment Opportunities for the Youth, Department: Trade and Industry, Republic of South Africa (Pretoria) 7 January 2019. Access Date: 12 January 2019.

<http://www.dti.gov.za/editmedia.jsp?id=5731>

<sup>225</sup> The Global Business Services (GBS) Incentive will Create Employment Opportunities for the Youth, Department: Trade and Industry, Republic of South Africa (Pretoria) 7 January 2019. Access Date: 12 January 2019.

<http://www.dti.gov.za/editmedia.jsp?id=5731>

<sup>226</sup> The Global Business Services (GBS) Incentive will Create Employment Opportunities for the Youth, Department: Trade and Industry, Republic of South Africa (Pretoria) 7 January 2019. Access Date: 12 January 2019.

<http://www.dti.gov.za/editmedia.jsp?id=5731>

<sup>227</sup> The Global Business Services (GBS) Incentive will Create Employment Opportunities for the Youth, The Department: Trade and Industry Republic of South Africa (Pretoria) 7 January 2019. Access Date: 12 January 2019.

<http://www.dti.gov.za/editmedia.jsp?id=5731>

<sup>228</sup> The Global Business Services (GBS) Incentive will Create Employment Opportunities for the Youth, The Department: Trade and Industry Republic of South Africa (Pretoria) 7 January 2019. Access Date: 12 January 2019.

<http://www.dti.gov.za/editmedia.jsp?id=5731>

<sup>229</sup> SA Government Prioritises Investment in the Mining Sector and Mineral Beneficiation, The Department: Trade and Industry Republic of South Africa (Pretoria) 6 February 2019. Access Date: 30 September 2019.

<http://www.dti.gov.za/editmedia.jsp?id=5741>

<sup>230</sup> Basic Education on ADEA's annual Policy Dialogue Forum Highlights, The Department of Basic Education (Pretoria) 31 July 2019. Access Date: 22 September 2019. <https://www.gov.za/speeches/policy-dialogue-forum-31-jul-2019-0000>

<sup>231</sup> Basic Education on ADEA's annual Policy Dialogue Forum Highlights, The Department of Basic Education (Pretoria) 31 July 2019. Access Date: 22 September 2019. <https://www.gov.za/speeches/policy-dialogue-forum-31-jul-2019-0000>

On 31 July 2019, the Department of Employment and Labor released a statement on the benefits of ICT investment. Along with the streamlining of previously inefficient manual procedures, the statement includes two policy changes that “aims to increase social security coverage and the introduction of a multi-disciplinary rehabilitation, reintegration and return- to-work programme.”<sup>232</sup>

On 12 September 2019, Employment and Labor Minister Thulas Nxesi declared support for labor market reforms at the Annual Commission for Conciliation Mediation and Arbitration (CCMA) Shop Stewards and Union Officials Conference. He emphasized the role of the Department in creating a stable labor market conducive to investment, growth and employment. He added that it was the responsibility of the Department to implement new policies that promote training and re-training according to the demands of the labor market. He announced that the National Minimum Wage Commission was researching the effects of the National Minimum Wage and its impact on poverty and inequality. The results will be taken into consideration for any further policy changes.<sup>233</sup>

South Africa has supported efforts to enforce further skills training and apprenticeship by implementing policy recommendations put forth in both the G20 Initiative to Promote Quality Apprenticeship and the BRICS Action Plan for Poverty Alleviation.

Thus, South Africa receives a score of +1.

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<sup>232</sup> Labor on benefits of ICT investment, The Department of Employment and Labor (Pretoria) 31 July 2019. Access Date: 22 September 2019. <https://www.gov.za/speeches/ict-investment-31-jul-2019-0000>

<sup>233</sup> Minister Thulas Nxesi on wholesale deregulation of labour market, The Department of Employment and Labor (Pretoria) 12 September 2019. Access Date: 29 September 2019. <https://www.gov.za/speeches/labour-market-non-starter-12-sep-2019-0000>

### 3. Crime and Corruption: Extradition and Asset Recovery

2018-60: “Subject to our domestic legal systems we will cooperate in anti-corruption law enforcement, extradition of fugitives, economic and corruption offenders and repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.”

*BRICS Johannesburg Declaration*

#### Assessment

	Lack of Compliance	Work in Progress	Full Compliance
Brazil		0	
Russia		0	
India			+1
China			+1
South Africa			+1
Average		+0.60	

#### Background

Corruption is a global challenge that hinders sustainable development around the world. From an economic standpoint, corruption undermines the potential for foreign investment and economic growth. From a social perspective, corruption prevents institutions and public services such as schools and hospitals from accessing the resources necessary to serve its citizens. In an address to the United Nations Security Council on the topic of “Corruption in Conflict,” UN Secretary-General António Guterres highlighted the “startling scope of the [corruption] challenge,” citing the World Economic Forum’s estimate that the cost of corruption amounts to “at least \$2.6 trillion — or 5 percent of global gross domestic product.”<sup>234</sup> The Secretary-General also emphasized the United Nations Convention against Corruption’s call for “a global framework for international cooperation” to address this issue.<sup>235</sup>

According to Transparency International’s Corruption Perception Index, among BRICS members, South Africa is ranked the least corrupt, ranking 71st globally out of 180 countries. This is followed by China (ranking 77th), India (81st), Brazil (96th) and Russia (135th).<sup>236</sup> Collectively, the BRICS bloc has supported the strengthening of international cooperation against corruption through the BRICS Anti-Corruption Working Group, addressing matters related to asset recovery and persons sought for corruption.<sup>237</sup>

At the 2014 Fortaleza Summit in Brazil, BRICS leaders recognized the negative impacts of corruption on poverty reduction, economic growth and financial stability. They declared their collective commitment to “combat[ing] domestic and foreign bribery, and strengthen[ing] international cooperation, including law enforcement cooperation” to address domestic and foreign

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<sup>234</sup> Secretary-General's remarks to the Security Council on Corruption in Conflict [as delivered], United Nations Secretary-General (New York) 10 September 2018. Access Date: 2 March 2019. <https://www.un.org/sg/en/content/sg/statement/2018-09-10/secretary-generals-remarks-security-council-corruption-conflict>.

<sup>235</sup> Corruption Perceptions Index 2016, Transparency International (Berlin) 25 January 2017. Access Date: 24 October 2018. [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](https://www.transparency.org/news/feature/corruption_perceptions_index_2016).

<sup>236</sup> Corruption Perceptions Index 2016, Transparency International (Berlin) 25 January 2017. Access Date: 24 October 2018. [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2016](https://www.transparency.org/news/feature/corruption_perceptions_index_2016).

<sup>237</sup> Anti-Corruption in the BRICS Countries, BRICS Law Journal, April 2018. Access Date: 24 October 2018. [https://www.researchgate.net/publication/324482127\\_Anti-corruption\\_in\\_the\\_BRICS\\_countries](https://www.researchgate.net/publication/324482127_Anti-corruption_in_the_BRICS_countries).

bribery, “in accordance with multilaterally established principles and norms, especially the UN Convention against Corruption [UNCAC].”<sup>238</sup>

At the 2015 Ufa Summit held in Russia, BRICS leaders noted that the issue of corruption challenges and undermines legal systems, negatively impacts sustainable development, and facilitates other types of crime.<sup>239</sup> The leaders also reaffirmed the pivotal role of international cooperation in battling corruption. To this end, BRICS reaffirmed its commitment to multilateral approaches in line with the principles of UNCAC and other international norms, such as mutual legal assistance.<sup>240</sup>

At the Ufa Summit, the BRICS Working Group on Anti-Corruption Cooperation was created.<sup>241</sup> The working group was created to combat corruption and ensure the inclusion of issues of crime prevention and criminal justice on the BRICS’ agenda. The working group was also established to facilitate further coordination and encourage stronger global commitment to preventing and combating corruption on the basis of the UNCAC and other relevant international legal instruments.

In 2016 at the Goa 8th Summit, BRICS leaders reaffirmed their previous support for the strengthening of international cooperation, the BRICS Anti-Corruption Working Group, and on matters related to asset recovery and persons sought for corruption.<sup>242</sup> The Goa Declaration also acknowledged that illicit financial and money flows and wrongfully-acquired wealth held in foreign jurisdictions pose a global challenge to economic growth and sustainable development. To this end, BRICS members their desire to encourage a worldwide commitment to combating corruption based on the norms outlined in UNCAC and other international legal instruments.

On 8 June 2016, the government India hosted a meeting between Senior Officials of BRICS member states on Anti- Corruption Cooperation on the margins of G20 Anti-Corruption Working Group’s meeting in London.<sup>243</sup> This meeting finalized the parameters of the BRICS Anti-Corruption Working Group.

At the 2017 Xiamen Summit in China, BRICS leaders reiterated their emphasis on the negative impacts of corruption and reaffirmed their commitment to enhance intra-BRICS anti-corruption coordination through dialogue, experience-sharing, and the compilation of a consolidated compendium on fighting corruption. They acknowledged the issue of illegal money flows, and announced their support for greater cooperation in asset recovery and persons sought for corruption through the BRICS Anti-Corruption Working Group. Previous summit commitments to address ill-acquired wealth in foreign jurisdictions and uphold the tenets of the UNCAC and international law were also included.<sup>244</sup>

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<sup>238</sup> The 6th BRICS Summit: Fortaleza Declaration, BRICS Information Centre (Fortaleza) 15 July 2014. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/140715-leaders.html>.

<sup>239</sup> VII BRICS Summit: 2015 Ufa Declaration, BRICS Information Centre (Ufa) 9 July 2015. Access Date: 24 October 2018. [http://brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://brics.utoronto.ca/docs/150709-ufa-declaration_en.html).

<sup>240</sup> VII BRICS Summit: 2015 Ufa Declaration, BRICS Information Centre (Ufa) 9 July 2015. Access Date: 24 October 2018. [http://brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://brics.utoronto.ca/docs/150709-ufa-declaration_en.html).

<sup>241</sup> VII BRICS Summit: 2015 Ufa Declaration, BRICS Information Centre (Ufa) 9 July 2015. Access Date: 24 October 2018. [http://brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://brics.utoronto.ca/docs/150709-ufa-declaration_en.html).

<sup>242</sup> 8th BRICS Summit: Goa Declaration, BRICS Information Centre (Goa) 16 October 2016. Access Date: 2 March 2019. <http://www.brics.utoronto.ca/docs/161016-goa.html>

<sup>243</sup> Government of India Department of Personnel & Training, BRICS Anti-Corruption Cooperation Meeting, Russian Presidential Academy of National Economy and Public Administration (Chongqing) 27 July 2017. Access Date: 24 October 2018. [https://www.ranepa.ru/images/media/brics/indianpresidency2/anticorruption\(1\).pdf](https://www.ranepa.ru/images/media/brics/indianpresidency2/anticorruption(1).pdf).

<sup>244</sup> BRICS Leaders Xiamen Declaration, BRICS Information Centre (Xiamen) 4 September 2017. Access Date: 24 October 2018. <http://brics.utoronto.ca/docs/170904-xiamen.html>.

At the most recent 2018 Johannesburg Summit in South Africa, BRICS leaders noted the long-term impacts of corruption, such as the weakening of legal systems and discouragement of foreign and local investments.<sup>245</sup> BRICS reaffirmed its commitment to multilateral efforts to address corruption under Chapter IV of UNCAC and through the BRICS Working Group on Anti-Corruption Cooperation. Other specific issues discussed include the coordination of legal frameworks, “extradition of fugitives and repatriation of economic corruption offenders in matters pertaining to asset recovery and other criminal and non-criminal issues” that require the denial of safe havens to perpetrators of corrupt activities.<sup>246</sup> BRICS leaders reaffirmed the significance of experience-sharing, and expressed their intention to build upon the foundational efforts undertaken in previous years. BRICS leaders also extended their support for the collective implementation of UNCAC by establishing systems for knowledge and information-sharing. The BRICS also extended its collective congratulations to the African Union for selecting 2018 as its year to combat corruption.

### **Commitment Features**

On 26 July 2018, the BRICS leaders adopted the 10th BRICS Summit Johannesburg Declaration in South Africa, entitled “BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution.”<sup>247</sup> The present commitment was made in Section IV, entitled “BRICS Partnership for Global Economic Recovery, Reform of Financial and Economic Global Governance Institutions, and the Fourth Industrial Revolution.”<sup>248</sup>

In this commitment, BRICS leaders committed to cooperating in anti-corruption law enforcement within the parameters of existing legal regimes in their respective countries. There are three specific streams of cooperation outlined in this commitment: 1) anti-corruption law enforcement, 2) extradition of fugitives, economic and corruption offenders and 3) repatriation in matters relating to assets recovery; respectively in correspondence with the recommended policy measures of Article 48, 44, and 55 of UNCAC.

#### **Part I. Anti-corruption law enforcement**

UNCAC is a multilateral treaty comprised of several anti-corruption agreements, and it provides the international foundation for anti-corruption law enforcement agencies. All BRICS governments have ratified this treaty.

Article 48 of UNCAC serves as a guideline for the types of measures BRICS members can take to cooperate with regards to anti-corruption law enforcement. Article 48 defines such cooperation as efforts to “enhance the effectiveness of law enforcement action to combat the offences covered by this Convention.”<sup>249</sup> Examples of effective measures include but are not limited to establishing channels of communication, facilitating the secure and rapid exchange of information, conducting

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<sup>245</sup> BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution, BRICS Information Centre (Johannesburg) 26 July 2018. Access Date: 2 March 2019.

<http://www.brics.utoronto.ca/docs/180726-johannesburg.html>

<sup>246</sup> BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution, BRICS Information Centre (Johannesburg) 26 July 2018. Access Date: 2 March 2019.

<http://www.brics.utoronto.ca/docs/180726-johannesburg.html>

<sup>247</sup> BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution, BRICS Information Centre (Johannesburg) 26 July 2018. Access Date: 1 March 2019.

<http://www.brics.utoronto.ca/docs/180726-johannesburg.html>

<sup>248</sup> BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution, BRICS Information Centre (Johannesburg) 26 July 2018. Access Date: 1 March 2019.

<http://www.brics.utoronto.ca/docs/180726-johannesburg.html>

<sup>249</sup> United Nations Convention Against Corruption, United Nations Office on Drug and Crime (Vienna) 31 October 2003. Access Date: 25 October 2018. [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

joint inquiries of suspects, movement of proceeds of crime or property, signing bilateral agreements to ensure effective coordination, or any collaborative activities for investigatory, identification and administrative purposes.

## **Part II. Extradition of fugitives, economic and corruption offenders**

A “fugitive” is defined as a “person□ who is□ running□ away or□ hiding□ from the□ police□ or a dangerous situation.”<sup>250</sup> “Anti-corruption” is understood to mean any measures designed to “eradicate or prevent dishonest or fraudulent conduct, especially in a political context.”<sup>251</sup>

Articles 15-25 of UNCAC outlines and defines the offences for which an individual can be charged with corruption. An economic or corruption offender is any individual who participates in criminal activities included but not limited to bribery; embezzlement, misappropriation, diversion of property; trading in influence using an undue advantage of public authority; abuse of functions; illicit enrichment; laundering of proceeds of crime; concealment; or obstruction of justice.<sup>252</sup>

Article 44 of UNCAC provides the international framework of cooperation on extradition.<sup>253</sup> The parameters of “extradition offences,” however, is defined by each country’s domestic legal system.<sup>254</sup> Under Article 44, the extradition of a fugitive is possible when the offence committed is punishable under both the domestic law of the requestor and requested State Party.<sup>255</sup>

Relevant provisions and laws for extradition in each BRICS country vary. In India, extradition is governed by the Extradition Act of 1962, and applies in relation to states with which it shares extradition treaties to offences provided for within those extradition treaties, and in relation to other foreign states for offenses “punishable with imprisonment for a term which shall not be less than one year under the laws of India or of a foreign country and includes a composite offence.”<sup>256</sup> According to the act, a “composite offence” is an “act or conduct of a person occurred, wholly or in part, in a foreign State or in India but its effects or intended effects, taken as a whole, would constitute an extradition offence in India or in a foreign State.”<sup>257</sup>

In South Africa extradition is governed by the Extradition Act, with the stated purpose to “provide for the extradition of persons accused or convicted of certain offences and for other incidental matters.”<sup>258</sup> Section 3 of the Act indicates that a person sought is liable for extradition under the

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<sup>250</sup> Fugitive, Cambridge Dictionary (Cambridge) Access Date: 2 March 2019.

<https://dictionary.cambridge.org/dictionary/english/fugitive>.

<sup>251</sup> Anti-Corruption, English Oxford Living Dictionaries (Oxford) Access Date: 2 March 2019.

<https://en.oxforddictionaries.com/definition/anti-corruption>

<sup>252</sup> United Nations Convention Against Corruption, United Nations Office on Drug and Crime (Vienna) 31 October 2003.

Access Date: 25 October 2018. [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

<sup>253</sup> United Nations Convention against Corruption, United Nations Office on Drugs and Crime (Vienna) 31 October 2003. Access Date: 25 October 2018. [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

<sup>254</sup> United Nations Convention Against Corruption, United Nations Office on Drug and Crime (Vienna) 31 October 2003. Access Date: 25 October 2018. [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

<sup>255</sup> United Nations Convention Against Corruption, United Nations Office on Drug and Crime (Vienna) 31 October 2003. Access Date: 25 October 2018. [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

<sup>256</sup> The Extradition Act, Central Bureau of Investigation (New Delhi) 15 September 1962. Access Date: 25 October 2018. <http://www.cbi.gov.in/interpol/TheExtraditionAct1962.pdf>.

<sup>257</sup> The Extradition Act, Central Bureau of Investigation (New Delhi) 15 September 1962. Access Date: 25 October 2018. <http://www.cbi.gov.in/interpol/TheExtraditionAct1962.pdf>.

<sup>258</sup> The Extradition Act, Government Gazette Extraordinary (Pretoria) 13 June 1962. Access Date: 14 April 2019. <https://www.gov.za/documents/extradition-act-20-jun-1962-0000>.

offences outlined in the bilateral extradition agreement between South Africa and the associated State. Alternatively, a person sought for extradition by a foreign state that shares no extradition agreements with South Africa is liable to surrender to the Foreign State's authority, if the South African state president has “in writing consented to his being so surrendered [presidential consent].”<sup>259</sup> Furthermore, Section 5 states that “any magistrate may, irrespective of the whereabouts or suspected whereabouts of the person to be arrested, issue a warrant for the arrest of any person” given that a receipt of notification has been received by the Minister (Minister of Justice) for the person’s surrender to a foreign or associated state, and under the discretion of the magistrate given the individual “committed an offence to the Republic.”<sup>260</sup> South Africa has recognized UNCAC as its legal basis for extradition, although UNCAC has not yet been explicitly invoked in relevant scenarios.<sup>261</sup>

In Brazil, extradition is regulated by Article 102 (I) (g) of the Federal Constitution, Article 76 et seq. of Law No. 6815/1981 (the Foreigners Statute), and by Decree 6061/2007, which provides the structure of the Ministry of Justice).<sup>262</sup> The Brazilian legal system does not define “political offence,” nor does it have a list of associated “political crimes,” leaving the consensus on extraditions of a political nature to the discretion of the legal system.<sup>263</sup> With regards to international cooperation, Brazil is bound by regional and multilateral extradition treaties, including bilateral extradition treaties with 28 countries and territories.<sup>264</sup> Brazil also recognizes and considers the UNCAC its legal grounds for extradition, although the country requires dual criminality (i.e.. for the offence to be considered criminal in Brazil and in the other state in question) for extradition.<sup>265</sup>

Extradition in China is governed by the Extradition Law of the People’s Republic of China, which was adopted and came into effect in 2000.<sup>266</sup> China has no domestic law regarding mutual legal assistance. China uses UNCAC as the legal basis of extradition cooperation, and it has made appropriate arrangements with foreign states that also recognize the Convention for reciprocal juridical assistance (according to Article 96), including on matters such as the surrender of fugitive

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<sup>259</sup> The Extradition Act, Government Gazette Extraordinary (Pretoria) 13 June 1962. Access Date: 14 April 2019. <https://www.gov.za/documents/extradition-act-20-jun-1962-0000>.

<sup>260</sup> The Extradition Act, Government Gazette Extraordinary (Pretoria) 13 June 1962. Access Date: 14 April 2019. <https://www.gov.za/documents/extradition-act-20-jun-1962-0000>.

<sup>261</sup> Conference of the State Parties to the United Nations Convention against Corruption, Implementation Review Group (Vienna) 16 November 2012. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1257446e.pdf>.

<sup>262</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (St. Petersburg) 17 August 2015. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1505820e.pdf>.

<sup>263</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (St. Petersburg) 17 August 2015. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1505820e.pdf>.

<sup>264</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (St. Petersburg) 17 August 2015. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1505820e.pdf>.

<sup>265</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (St. Petersburg) 17 August 2015. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1505820e.pdf>.

<sup>266</sup> 中华人民共和国引渡法 (Extradition Law of the People’s Republic of China), 中国人大网 (The National People’s Congress of the People’s Republic of China) (Beijing) 28 December 2000. Access Date: 25 October 2018. [http://www.npc.gov.cn/wxzl/gongbao/2001-03/05/content\\_5123887.htm](http://www.npc.gov.cn/wxzl/gongbao/2001-03/05/content_5123887.htm).

offenders and mutual legal assistance in criminal matters. China can conduct extradition based on bilateral treaties or the principle of reciprocity, according to Article 15 of the Extradition Law.<sup>267</sup> China currently has bilateral extradition treaties with 41 countries.<sup>268</sup> China can conduct the transfer of fugitives and sentenced persons based on the principle of reciprocity, and it has also concluded prisoner transfer treaties with 13 countries. Furthermore, China has signed bilateral criminal treaties with 54 countries for mutual legal assistance, and ratified or acceded to 20 multilateral conventions containing provisions for mutual legal assistance.<sup>269</sup>

Extradition in the Russian Federation is regulated by Article 61 of the Constitution, Chapter 54 (Articles 460-468) of the Code of Criminal Procedure, and Article 13 of the Criminal Code. Article 462 of the Code of Criminal Procedure stipulates the threshold of deprivation of freedom or severe punishment required to enact an extradition.<sup>270</sup> Russia uses an administrative rather than judicial procedure for decisions on extradition. Extradition decisions are made by the Procurator-General or the deputy.<sup>271</sup> Internationally, Russia is party to a large quantity of multilateral treaties concluded under the framework of the UN, the Council of Europe and the Commonwealth of Independent States. Russia has signed 28 bilateral agreements regulating extradition matters.<sup>272</sup>

### **Part III. Repatriation in matters relating to asset recovery**

To “repatriate” is understood as actions “to send or bring someone, or sometimes money or other property, back to the country that he, she, or it came from.”<sup>273</sup> Asset recovery refers to government efforts to repatriate the proceeds of corruption hidden or left in foreign jurisdictions. Such assets may include those held in bank accounts, real estate, vehicles, arts and artifacts, and precious metals. As defined by UNCAC, asset recovery refers to recovering the proceeds of corruption to countries of origin.<sup>274</sup> Article 55 of UNCAC addresses “International cooperation for purposes of confiscation.”

Article 53 of UNCAC states that each state should proceed with domestic legal processes to establish any necessary compensation or payment for damages.<sup>275</sup> The requested State must also take measures

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<sup>267</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (Vienna) 17 November 2016. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1609720e.pdf>.

<sup>268</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (Vienna) 17 November 2016. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1609720e.pdf>.

<sup>269</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (Vienna) 17 November 2016. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1609720e.pdf>.

<sup>270</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (Vienna) 17 November 2016. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1609720e.pdf>.

<sup>271</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (Vienna) 17 November 2016. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1609720e.pdf>.

<sup>272</sup> Conference of the States Parties to the United Nations Convention against Corruption, Implementation Review Group (Vienna) 23 April 2013. Access Date: 25 October 2018. <http://www.unodc.org/documents/treaties/UNCAC/WorkingGroups/ImplementationReviewGroup/ExecutiveSummaries/V1382896Ae.pdf>.

<sup>273</sup> Repatriate, Cambridge Dictionary (Cambridge) Access Date: 2 March 2019.

<https://dictionary.cambridge.org/dictionary/english/repatriate>

<sup>274</sup> Asset Recovery, United Nations Office on Drug and Crime (Vienna). Access Date: 25 October 2018. <http://www.unodc.org/unodc/en/corruption/asset-recovery.html>

<sup>275</sup> United Nations Convention Against Corruption, United Nations Office on Drug and Crime (Vienna) 31 October 2003. Access Date: 25 October 2018. [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

to allow relevant authorities to seize or freeze property of the requesting State insofar as grounds for such actions are deemed sufficient.<sup>276</sup> Each state should also take measures to forward all necessary information from its own investigations, prosecutions, and judicial proceedings, in order for the receiving state to partake in its own legal endeavours for repatriation and asset recovery as authorized under Article 55 of UNCAC.<sup>277</sup> These efforts are necessary for all relevant State parties to further cooperation in efforts for repatriation and asset recovery.

### **Possible Restraints from Domestic Legal Systems**

As outlined in the preface of this commitment, “subject to our domestic legal systems,” BRICS cooperation in anti-corruption falls within the parameters of existing national legal regimes. Among the BRICS members, the following should be noted as constraints to their ability to cooperate in this regard.

Brazil does not have a bilateral extradition treaty with Russia. A bilateral extradition treaty has been signed with South Africa, but it is not yet in force yet.<sup>278</sup>

In Russia, legal entities are not criminally liable under the Criminal Code.<sup>279</sup>

India does not have any legal regulations that apply to the bribery of foreign officials.<sup>280</sup> There is also no specific law covering bribery in private sector.<sup>281</sup>

China does not have a bilateral extradition treaty with India.

South Africa does not have a bilateral extradition treaty with Russia.

To demonstrate full compliance, the BRICS member must fulfill all three aspects of this commitment by cooperating in the areas of 1) anti-corruption law enforcement, 2) extradition of fugitives, economic and corruption offenders and 3) repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption. Such cooperation can be bilateral or multilateral in nature, but it must be international, i.e., it must involve more than one country.

Partial compliance, or a score of 0, is reflected by the BRICS member’s actions to cooperation in one or two of the aforementioned areas. Non-compliance will be scored if the BRICS member fails to demonstrate any cooperation with regards to anti-corruption.

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<sup>276</sup> United Nations Convention Against Corruption, United Nations Office on Drug and Crime (Vienna) 31 October 2003. Access Date: 25 October 2018. [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

<sup>277</sup> United Nations Convention Against Corruption, United Nations Office on Drug and Crime (Vienna) 31 October 2003. Access Date: 25 October 2018. [https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026\\_E.pdf](https://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf).

<sup>278</sup> Extradition and Mutual Legal Assistance in criminal matters treaties, Department: Justice and Constitutional Development, Republic of South Africa. Access Date: 26 October 2018. <http://www.justice.gov.za/ilr/mla.html>.

<sup>279</sup> The Anti-Bribery and Anti-Corruption Review - Edition 6, The Law Reviews (London) December 2017. Access Date: 26 October 2018. <https://thelawreviews.co.uk/edition/the-anti-bribery-and-anti-corruption-review-edition-6/1151865/russia>.

<sup>280</sup> Bribery & Corruption 2018 | India, Global Legal Insights (London) Access Date: 26 October 2018. <https://www.globallegalinsights.com/practice-areas/bribery-and-corruption-laws-and-regulations/india>.

<sup>281</sup> Bribery & Corruption 2018 | India, Global Legal Insights (London) Access Date: 26 October 2018. <https://www.globallegalinsights.com/practice-areas/bribery-and-corruption-laws-and-regulations/india>.

### Scoring Guidelines

-1	The BRICS member did not cooperate in any international anti-corruption efforts in 1) anti-corruption law enforcement, 2) extradition of fugitives, economic and corruption offenders NOR 3) repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.
0	The BRICS member cooperated in one or more areas of international anti-corruption: 1) anti-corruption law enforcement, 2) extradition of fugitives, economic and corruption offenders OR 3) repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.
+1	The BRICS member cooperated in all three areas of international anti-corruption: 1) anti-corruption law enforcement, 2) extradition of fugitives, economic and corruption offenders AND 3) repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.

### Brazil: 0

Brazil partially complied with its commitment to cooperate in international anti-corruption efforts by taking measures on anti-corruption law enforcement; extradition of fugitives, economic and corruption offenders; and repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.

On 9 August 2018, Brazilian Chamber of Deputies approved an agreement signed with Poland on Transfer of Sentenced People.<sup>282</sup>

On 19 October 2018, Brazil and Chile signed a free trade agreement. As a part of the bilateral agreement, Brazil and Chile committed to combatting corruption together by maintaining transparency regarding relevant policies.<sup>283</sup>

On 7 November 2018, representatives of the Department of Asset Recovery and International Legal Cooperation of the National Secretariat of Justice met with members of the Office of International Affairs of the United States Department of Justice to encourage improved legal cooperation between the two countries.<sup>284</sup> The General Asset Recovery Coordinator, Isalino Antônio Giacomet Júnior, stated that the meeting allowed the Brazilian delegation to understand specific criminal procedures used in the United States that can be also adopted and adjusted for use in Brazil.<sup>285</sup>

On 19 November 2018, the XVI Plenary Meeting of the National Strategy to Combat Corruption and Money Laundering (Enccla) took place in Foz do Iguaçu, lasting five days until 23 November 2018.<sup>286</sup> The purpose of the meeting was to present results of the National Plan to Combat

<sup>282</sup> Projeto de Decreto Legislativo (SF) nº 33, de 2018. <https://www25.senado.leg.br/web/atividade/materias/-/materia/132746>. Access date: 29 April 2019

<sup>283</sup> Conclusions of the Negotiations of the Free Trade Agreement between Brazil and Chile, Ministry of Foreign Affairs, Government of Brazil (Brasilia) 20 October 2018. Access Date: 13 January 2019. <http://www.itamaraty.gov.br/en/press-releases/19658-conclusion-of-negotiations-on-the-free-trade-agreement-between-brazil-and-chile-santiago-october-16-19-2018>.

<sup>284</sup> Brasil e Estados Unidos discutem melhorias para Cooperação Jurídica Internacional, Ministério da Justiça e Segurança Pública (Brasilia) 7 November 2018. Access Date: 13 January 2019. <http://www.justica.gov.br/news/collective-nitf-content.45>.

<sup>285</sup> Brasil e Estados Unidos discutem melhorias para Cooperação Jurídica Internacional, Ministério da Justiça e Segurança Pública (Brasilia) 7 November 2018. Access Date: 13 January 2019. <http://www.justica.gov.br/news/collective-nitf-content.45>.

<sup>286</sup> Encontro avalia estratégias contra a corrupção e lavagem de dinheiro, Agência Brasil (Brasilia) 19 November 2018. Access Date: 13 January 2019. <http://agenciabrasil.ebc.com.br/geral/noticia/2018-11/encontro-avalia-estrategias-contra-corrupcao-e-lavagem-de-dinheiro>.

Corruption and to discuss or design public policies for the prevention and repression of corruption and money laundering.<sup>287</sup>

On 29 November 2018, Brazil acceded to the Convention on the Service Abroad of Judicial and Extrajudicial Documents in Civil or Commercial Matters (Hague Service Convention of 1965).<sup>288</sup>

On 14 December 2018, the Brazilian Supreme Court decided in favor of the extradition of Cesare Battisti to Italy.<sup>289</sup> On 2 January 2019, Minister of Justice and Public Safety Sérgio Moro stated that fighting corruption and organized crime are priorities of the new administration.<sup>290</sup> Minister Moro also announced the strengthening of the Department of Asset Recovery and International Legal Cooperation and the task forces of the Federal Police, particularly those investigating corruption.<sup>291</sup>

On 16 January 2019, the Brazilian President signed a treaty on extradition with Argentina, to expedite formalities in extraditions.<sup>292</sup>

On 24 January 2019, Brazil and India exchanged Instruments of Ratification for a treaty for repatriation of convicted prisoners in order for them to serve their remaining jail terms in their home country. A sentenced person would be transferred if the death penalty was not imposed on the sentenced person and the judgment has been finalized with no inquiry.<sup>293</sup>

On 1 March 2019, Brazil launched corruption investigations into miner Vale SA after its dam burst and killed 182 civilians in Brumadinho.<sup>294</sup>

On 21 March 2019, former president Michel Temer and nine other politicians were arrested as part of Operation Radioactivity in *Lava Jato* for “cartel formation, active and passive corruption, money laundering and fraudulent bidding processes.”<sup>295</sup>

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<sup>287</sup> Encontro avalia estratégias contra a corrupção e lavagem de dinheiro, Agência Brasil (Brasilia) 19 November 2018. Access Date: 13 January 2019. <http://agenciabrasil.ebc.com.br/geral/noticia/2018-11/encontro-avalia-estrategias-contra-corrupcao-e-lavagem-de-dinheiro>.

<sup>288</sup> Nova Era para a Cooperação Jurídica Internacional em Matéria Civil, Ministério da Justiça e Segurança Pública (Brasilia) 29 November 2018. Access Date: 13 January 2019. <http://www.justica.gov.br/news/collective-nitf-content-1543523721.59>.

<sup>289</sup> Diário Oficial da União. [http://www.in.gov.br/materia-/asset\\_publisher/Kujrw0TzC2Mb/content/id/55275216/do1e-2018-12-14-despachos-do-presidente-da-republica-55275198](http://www.in.gov.br/materia-/asset_publisher/Kujrw0TzC2Mb/content/id/55275216/do1e-2018-12-14-despachos-do-presidente-da-republica-55275198). Access date: 29 April 2019.

<sup>290</sup> Dezoito ministros assumiram seus cargos nesta quarta-feira (2), Governo do Brasil (Brasilia) 2 January 2019. Access Date: 13 January 2019. <http://www.brasil.gov.br/noticias/entenda/2019/01/dezoito-ministros-assumiram-seus-cargos-nesta-quarta-feira-2>.

<sup>291</sup> Novo ministro da Justiça afirma que ‘Brasil não será um porto seguro para criminosos’, Estadão (Brasilia) 2 January 2019. Access Date: 13 January 2019. <https://politica.estadao.com.br/blogs/fausto-macedo/novo-ministro-da-justica-affirma-que-brasil-nao-sera-um-porto-seguro-para-criminosos/>.

<sup>292</sup> Novo tratado de extradição Brasil - Argentina agiliza trâmites. <http://agenciabrasil.ebc.com.br/politica/noticia/2019-01/novo-tratado-de-extradicao-brasil-argentina-agiliza-tramites> Access date: 29 April 2019.

<sup>293</sup> India, Brazil ink treaty for repatriation of sentenced prisoners, The Economic Times (New Delhi) 5 April 2019. Access Date: 12 September 2019. <https://economictimes.indiatimes.com/news/politics-and-nation/india-brazil-ink-treaty-for-repatriation-of-sentenced-prisoners/articleshow/68739217.cms>

<sup>294</sup> Brazil to launch corruption probe into Vale dam disaster, Reuters (Brasilia) 1 March 2019. Access Date: 10 August 2019. <https://www.reuters.com/article/us-vale-sa-disaster/brazil-to-launch-corruption-probe-into-vale-dam-disaster-idUSKCN1QJ582>

<sup>295</sup> Brazil's former president Michel Temer arrested in corruption investigation, The Guardian (Rio de Janeiro) 21 March 2019. Access Date: 10 August 2019. <https://www.theguardian.com/world/2019/mar/21/brazils-former-president-michel-temer-arrested-in-corruption-investigation>

On 7 May 2019, former president Michel Temer was arrested on corruption charges again as construction company, Engevix, paid Temer bribes in order to construct a nuclear power plant in Angra dos Reis.<sup>296</sup>

In June 2019, the Brazilian Federal Police sent a memo to airlines in the United States of America allowing them to board Brazilian deportees with only a certificate of nationality issued by a consulate if they do not have a valid passport. This action aims to facilitate repatriation of deportees by the United States' Immigration and Customs Enforcement.<sup>297</sup>

On 6 August 2019, Brazil's Supreme Court rejected an extradition request for an opponent of the Turkish President Tayyip Erdogan due to a lack of a guaranteed fair trial.<sup>298</sup>

Brazil has taken anti-corruption measures consistent with the provisions on law enforcement in the United Nations Convention against Corruption, but not through measures consistent with the provisions on extradition and repatriation.

Thus, Brazil receives a score of 0.

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### **Russia: 0**

Russia partially complied with its commitment to cooperate in international anti-corruption efforts by taking measures on anti-corruption law enforcement; extradition of fugitives, economic and corruption offenders; and repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.

On 9 August 2018, the Prosecutor General's Office announced that roughly 500 civil servants were dismissed for corruption-related crimes during the first half of 2018.<sup>299</sup>

On 2 October 2018, the Chief Military Prosecutor's office began checking information provided by Alexei Navalny, founder of the Anti-Corruption Foundation (FBK), regarding the purchase of products and uniforms for Rosgvardia, the Federal Service of Troops of the National Guard, at inflated prices via single suppliers. As a result of this report, Chief Military Prosecutor Valery Petrov personally led the verification of all facts related to the Rosgvardia's procurement.<sup>300</sup>

On 3 October 2018, President Vladimir Putin permitted the transfer of funds seized in corruption cases to be allocated to the budget of pension funds, as a part of the recently signed package of laws on the reform of pension legislation.<sup>301</sup>

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<sup>296</sup> Brazil ex-President Temer turns himself in on corruption charges, Al Jazeera (Doha) 9 May 2019. Access Date: 10 August 2019. <https://www.aljazeera.com/news/2019/05/brazil-president-temer-turns-corruption-charges-190509203521683.html>.

<sup>297</sup> Exclusive: Brazil facilitates deportation of its nationals after U.S. pressure, Reuters (Brasilia) 26 August 2019. Access Date: 30 September 2019. <https://www.reuters.com/article/us-usa-immigration-brazil-exclusive/exclusive-brazil-facilitates-deportation-of-its-nationals-after-u-s-pressure-idUSKCN1VG1PL>.

<sup>298</sup> Brazil's top court denies extradition of Erdogan, Reuters (Brasilia) 7 August 2019. Access Date: 30 September 2019. <https://www.reuters.com/article/us-brazil-turkey/brazils-top-court-denies-extradition-of-erdogan-opponent-idUSKCN1UW2ID>.

<sup>299</sup> For half a year almost 500 Russian officials were fired for corruption offenses, TACC (Moscow) 9 August 2018. Access Date: 12 January 2019. <https://tass.ru/obschestvo/5442338>.

<sup>300</sup> Procurement Rosgvardii check for corruption, Lentachel.RU, 2. October 2018. Access Date: 12 January 2019. <https://lentachel.ru/news/2018/10/02/zakupki-rosgvardii-proveryat-na-korruptsiyu.html>.

<sup>301</sup> Putin allowed to send funds withdrawn from corrupt officials to the FIU, TVZvezda. 3 October 2018. Access Date: 12 January 2019. [https://tvzvezda.ru/news/vstrane\\_i\\_mire/content/201810031926-78g4.htm](https://tvzvezda.ru/news/vstrane_i_mire/content/201810031926-78g4.htm).

On 31 October 2018, judges were given the right to request information from banks about allegedly corrupt officials. President Vladimir Putin signed a decree expanding the list of officials who have the right to request information from banks and tax authorities, in an effort to strengthen the fight against corruption.<sup>302</sup>

On 14 November 2018, the head of the National Anti-Corruption Committee announced a decrease in the number of corruption crimes in Russia in recent years.<sup>303</sup>

On 30 November 2018, Russia stated that is ready to work with BRICS countries in the search for fugitive economic criminals. During the G20 Summit in Buenos Aires, President Putin stated that Russia hopes BRICS countries will support the Russian draft convention on the return of stolen assets in the UN.<sup>304</sup>

On 29 March 2019, the Prosecutor General's Office recorded an increase in corruption crimes. The number of corruption-related crimes in the first two months of 2019 increased by 8 per cent compared to the same period in 2018.<sup>305</sup>

On 5th May 2019, the Judicial Department at the Supreme Court published the latest statistics on sentences for corruption crimes. Based on the sentences of 2018, 2,167 people were convicted for taking bribes worth more than RUR10,000.<sup>306</sup>

On 20 June 2019, President Putin called corruption in the country a “disgrace” during the Nationwide Teleconference. He added that he feels responsible for it. President Putin also noted that corruption cases should be publicly brought to an end, especially if they concern officials and law enforcement officers.<sup>307</sup>

On 24 June 2019, the government compiled a blacklist of officials in Russia. Last year, the government decided to create a register of civil servants who were dismissed due to loss of confidence. During this period, 1243 names were added. Information about such employees was transferred to the government by employers and then added to the registry. The list contains the official's full name, place of work, position, date and reason for dismissal. The list includes mainly deputies from local governments, police officers, military officers, bailiffs and heads of educational institutions.<sup>308</sup>

Russia took actions to engage in international anti-corruption cooperation, particularly by taking measures consistent with the provisions on law enforcement in the United Nations Convention against Corruption, but not in all three areas of international cooperation, specifically lacking action with regards to international extradition and repatriation.

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<sup>302</sup> Putin allowed judges to request information about corrupt officials from banks, FreeNews-Volga. 31 October 2018. Access Date: 12 January 2019. <https://fn-volga.ru/news/view/id/92357>.

<sup>303</sup> В России снизилось число коррупционных преступлений, профиль (Moscow) 14 November 2018. Access Date: 30 September 2019. <https://profile.ru/news/society/v-rossii-snizilos-chislo-korrupcionnyh-prestupleniy-132301/>

<sup>304</sup> Russia is ready to work with the BRICS countries in the search for fugitive economic criminals, TASS (Buenos Aires) 30 November 2018. Access Date: 30 September 2019. <https://tass.ru/ekonomika/5857324>

<sup>305</sup> Генпрокуратура зафиксировала рост коррупционных преступлений, Финансовая газета (Moscow) 29 March 2019. Access Date: 30 September 2019. <https://fingazeta.ru/finance/budget/455418/>

<sup>306</sup> В России за взятки осудили почти 6 тысяч человек, Российская газета (Moscow) 5 May 2019. Access Date: 30 September 2019. <https://rg.ru/2019/05/05/v-rossii-za-vziatki-osudili-pochti-6-tysiach-chelovek.html>

<sup>307</sup> Путин не нашел слов для «бездобразной» коррупции, Газета.Ru (Moscow) 20 June 2019. Access Date: 20 September 2019. [https://www.gazeta.ru/social/news/2019/06/20/n\\_13115011.shtml](https://www.gazeta.ru/social/news/2019/06/20/n_13115011.shtml)

<sup>308</sup> В России составили «черный список» чиновников — в нем уже тысяча человек: жулики, жертвы служебных интриг и «мертвые души», Комсомольской правды (Moscow) 23 June 2019. Access Date: 30 September 2019. <https://www.kp.ru/daily/26993/4054701/>

Thus, Russia receives a score of 0.

*Analyst: Mengdi Zhao*

**India: +1**

India fully complied with its commitment to cooperate in international anti-corruption efforts by taking measures on anti-corruption law enforcement; extradition of fugitives, economic and corruption offenders; and repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.

In August 2018, India officially handed over both prime suspects accused in a INR13,000 crore bank fraud in response to an extradition request. This request was processed by the Central Bureau of Investigation, and raised to India by Antiguan and British authorities under the in the United Nations Convention against Corruption (UNCAC).<sup>309</sup>

On 1 January 2019, India and Pakistan exchanged lists of civilian prisoners, military personnel and fishermen held in their respective custodies. India requested that Pakistan expedite the release and extradition of 369 fishermen and 17 civilians, whose Indian nationality has been confirmed. In this context, India has also requested for Pakistan to facilitate the repatriation of 80 Pakistani prisoners currently held in India, who have completed their sentences.<sup>310</sup>

On 4 September 2019, the Indian government prepared a list of 284 officials from the Central Secretariat Services who are under consideration for mandatory retirement due to alleged corrupt activities and inefficiency. The list includes public officials from a range of ministries such as Finance, Home Affairs, Defence, Health, etc.<sup>311</sup>

On 18 September 2019, the Indian government announced its intention to accept bids to build a system of centralized facial recognition systems, captured through surveillance cameras. It would be linked to other databases that contain information such as passports and fingerprints in order to help the understaffed Indian law enforcement better identify criminals.<sup>312</sup>

On 27 September, 2019, the Central Board of Direct Taxes compulsorily retired fifteen senior officials under Fundamental Rule 56(j) due to “corruption, other charges and CBI (Central Bureau of Investigation) traps.” The total number of tax officials retired under corruption charges since June 2019 is now 64.<sup>313</sup>

India has fully cooperated in all three areas of international anti-corruption: anti corruption law enforcement; extradition of fugitives, economic and corruption offenders and; repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.

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<sup>309</sup> India sends extradition requests for Mehul Choksi and Nirav Modi, India Today (New Delhi) 5 August 2018. Access Date: 13 January 2019. <https://www.indiatoday.in/india/story/india-sends-extradition-requests-for-mehul-choksi-and-nirav-modi-1305728-2018-08-05>.

<sup>310</sup> India, Pakistan exchange list of prisoners based on 2008 agreement, The Economic Times (New Delhi) 1 January 2019. Access Date: 13 January 2019. <https://economictimes.indiatimes.com/news/defence/india-pakistan-exchange-list-of-prisoners-based-on-2008-agreement/articleshow/67334191.cms>.

<sup>311</sup> Modi Government to retire Central Secretariat Service Officers now, 284 of them under scanner, The Print (New Delhi) 4 September 2019. Access Date: 30 September 2019. <https://theprint.in/india/modi-govt-to-retire-central-secretariat-service-officers-now-284-of-them-under-scanner/286418/>

<sup>312</sup> India is planning a huge China-Style Facial Recognition Program, The Economic Times (New Delhi) 20 September 2019. Access Date: 29 September 2019. <https://economictimes.indiatimes.com/news/politics-and-nation/india-is-planning-a-huge-china-style-facial-recognition-program/articleshow/71213132.cms>

<sup>313</sup> CBDT sacks 15 more taxmen, total number goes up to 64, The Hindu Business Line (New Delhi) 27 September 2019. Access Date: 30 September 2019. <https://www.thehindubusinessline.com/news/cbdt-sacks-15-more-taxmen-total-number-goes-up-to-64/article29532472.ece>

Thus, India receives a score of +1.

*Analysts: Tarun Gannavaram Sharatkumar and Shamshir Malik*

**China: +1**

China fully complied with its commitment to cooperate in international anti-corruption efforts by taking measures on anti-corruption law enforcement; extradition of fugitives, economic and corruption offenders; and repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.

On 5 September 2018, President Xi Jinping attended the Forum on China-Africa Cooperation and committed China and its African partners to the Beijing Action Plan (2019-2021).<sup>314</sup> The Beijing Action Plan commits to greater anti-corruption cooperation under provisions in the United Nations Convention against Corruption and other international instruments on a case-by-case basis. The Action Plan also includes provisions on repatriation and asset recovery, allowing for more flexibility in relation to domestic legal systems.<sup>315</sup>

On 26 October 2018, with immediate effect, the National People's Congress passed Presidential Decree No. 13, the International Criminal Judicial Assistance Law.<sup>316</sup> The law clarifies the conditions and procedures of criminals transfer between China and other sovereign entities.<sup>317</sup>

On 30 November 2018, China's central anti-corruption coordination group coordinated with Bulgaria in the extradition of a duty crime suspect and former deputy head of Xinchang Country, Yao Jinqi. Yao was the first former civil servant and China extradited from a EU member state.<sup>318</sup>

On 3 December 2018, President Xi Jinping and Panamanian President Juan Carlos signed an extradition treaty during President Xi's visit to Panama.<sup>319</sup>

On 13 December 2018, Li Shulei, deputy secretary of the Central Commission for Discipline Inspection and deputy director of the State Supervision Commission, met with Australian Federal Police Chief Ke Ande in Beijing. China and Australia signed a Memorandum of Understanding on Anti-Corruption Law Enforcement Cooperation between the National Supervision Commission of

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<sup>314</sup> China-Africa Summit Highlights Climate Change as Existential Threat, Strengthens Cooperation, SDG Knowledge Hub. 3 September 2018. Access Date: 5 January 2019. <https://sdg.iisd.org/news/china-africa-summit-highlights-climate-change-as-existential-threat-strengthens-cooperation/>.

<sup>315</sup> Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Ministry of Foreign Affairs of the People's Republic of China (Beijing) 5 September 2018. Access Date: 5 January 2019. [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1593683.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1593683.shtml).

<sup>316</sup> 全国人民代表大会宪法和法律委员会关于《中华人民共和国国际刑事司法协助法(草案二次审议稿)》修改意见的报告 (National People's Congress Constitution and Law Committee's Report on the Revision of the "Law of the People's Republic of China on International Criminal Judicial Assistance (Second Draft for Deliberation)" ), The National People's Congress of the People's Republic of China (Beijing) 26 October 2018. Access Date: 14 January 2019. [http://www.npc.gov.cn/npc/xinwen/2018-10/26/content\\_2064521.htm](http://www.npc.gov.cn/npc/xinwen/2018-10/26/content_2064521.htm).

<sup>317</sup> New laws aid fight against corruption, China Daily (Beijing) 27 October 2018. Access Date: 14 January 2019. <http://www.chinadaily.com.cn/a/201810/27/WS5bd3aec8a310eff303284e76.html>.

<sup>318</sup> China extradites duty crime suspect from Bulgaria, Xinhua (Beijing) 30 November 2018. [http://www.xinhuanet.com/english/2018-11/30/c\\_137641769.htm](http://www.xinhuanet.com/english/2018-11/30/c_137641769.htm)

<sup>319</sup> The extradition treaty with China, for consideration in the Panamanian Parliament, Panama Today (Panama City) 26 February 2019. Access Date: 8 October 2019. <https://www.panamatoday.com/panama/extradition-treaty-china-consideration-panamanian-parliament-9360>

the People's Republic of China and the Australian Federal Police, cementing transnational law enforcement in anti-corruption.<sup>320</sup>

On 13 January, the Third Plenary Session of the 19th Central Commission for Discipline Inspection closed, and the communiqué of the plenary session was publicized. The accountability regulations of the Communist Party of China will be revised this year. For the first time, increased anti-corruption in the financial sector was proposed.<sup>321</sup>

On 28 January 2019, the National Supervisory Commission (NSC) announced the launch of "Sky Net 2019," an anti-corruption repatriation campaign with the aim of "capturing corrupt officials who have fled abroad."<sup>322</sup> The NSC will carry out repatriations related to duty-related crimes, the Supreme People's Court will deal with repatriating illicit assets, and the Ministry of Public Security will carry out repatriations of economic crime suspects abroad.<sup>323</sup>

On 25 April 2019, at the Second "Belt and Road" International Cooperation Summit Forum, the China National Supervision Commission signed a Memorandum of Understanding with the Philippine Presidential Anti-Corruption Commission and the Thai Anti-Corruption Commission. This collaboration aims to promote the construction of anti-corruption cooperation mechanisms.<sup>324</sup>

On 21 May 2019, Vice-Premier Han Zheng stated that the central government fully supports the amendments made to Hong Kong's proposed extradition law, the Fugitive Offenders Ordinance and Mutual Legal Assistance in Criminal Matters Ordinance.<sup>325</sup> The amendments will allow Hong Kong to extradite individuals on a case-by-case basis to jurisdictions which Hong Kong has no extradition agreement with.<sup>326</sup>

On 26 May 2019, Foreign Minister Wang Yi and Armenian Minister of Foreign Affairs Zohrab Mnatsakanyan signed an extradition treaty and visa waiver during Minister Wang's visit to Armenia.<sup>327</sup>

On 26 August 2019, the State Council approved extradition treaties with Sri Lanka and Vietnam.<sup>328</sup> The treaty with Vietnam has been under review since October 2013, and the treaty with Sri Lanka has been under review since September 2014.<sup>329</sup>

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<sup>320</sup> 中澳签署反腐执法合作备忘录, Caixin (Beijing) 13 December 2018. Access Date: October 1, 2019. <http://international.caixin.com/2018-12-13/101358943.html>

<sup>321</sup> 中央纪委三次全会公报透露了哪些新信息, People's Daily (Beijing) 14 January 2019. Access Date: October 1, 2019, <http://fanfu.people.com.cn/n1/2019/0114/c64371-30525499.html>

<sup>322</sup> China launches "Sky Net 2019" to capture fugitive officials, Xinhua News Agency (Beijing) 28 January 2019. Access Date: 8 October 2019. [http://www.xinhuanet.com/english/2019-01/28/c\\_137781988.htm](http://www.xinhuanet.com/english/2019-01/28/c_137781988.htm)

<sup>323</sup> China launches "Sky Net 2019" to capture fugitive officials, Xinhua News Agency (Beijing) 28 January 2019. Access Date: 8 October 2019. [http://www.xinhuanet.com/english/2019-01/28/c\\_137781988.htm](http://www.xinhuanet.com/english/2019-01/28/c_137781988.htm)

<sup>324</sup> 廉洁丝绸之路分论坛发起《北京倡议》, Xinhua News Agency (Beijing) 25 April 2019. Access Date: October 1, 2019. [http://www.xinhuanet.com/world/2019-04/25/c\\_1124415667.htm](http://www.xinhuanet.com/world/2019-04/25/c_1124415667.htm)

<sup>325</sup> Beijing fully supports HK law amendments, China Daily (Beijing) 22 May 2019. Access Date: 8 October 2019. <https://www.chinadaily.com.cn/a/201905/22/WS5ce48694a3104842260bcf6c.html>

<sup>326</sup> Beijing fully supports HK law amendments, China Daily (Beijing) 22 May 2019. Access Date: 8 October 2019. <https://www.chinadaily.com.cn/a/201905/22/WS5ce48694a3104842260bcf6c.html>

<sup>327</sup> Armenia and China sign visa waiver, extradition treaty during FM Wang Yi's Yerevan visit, ArmenPress (Yerevan) 26 May 2019. Access Date: 8 October 2019. <https://armenpress.am/eng/news/976216/>

<sup>328</sup> Extradition deals with Sri Lanka, Vietnam ratified, China Daily (Beijing) 27 August 2019. Access Date: 8 October 2019. [http://www.chinadaily.com.cn/global/2019-08/27/content\\_37505780.htm](http://www.chinadaily.com.cn/global/2019-08/27/content_37505780.htm)

<sup>329</sup> Extradition deals with Sri Lanka, Vietnam ratified, China Daily (Beijing) 27 August 2019. Access Date: 8 October 2019. [http://www.chinadaily.com.cn/global/2019-08/27/content\\_37505780.htm](http://www.chinadaily.com.cn/global/2019-08/27/content_37505780.htm)

On 11 September 2019, the Central Commission for Discipline Inspection (CCDI) published several reports containing a total of 78 corruption cases that it had investigated across 15 provinces in China. The reports included disciplinary action taken against the corrupt officials involved, and reiterated the importance of maintaining ethical practices among officials.<sup>330</sup>

On 12 September 2019, the Ministry of Foreign Affairs and representatives of 53 African countries jointly released the Forum on China-Africa Cooperation Beijing Action Plan (2019-2021).<sup>331</sup> The plan included an agreement to “continue to exchange high-level visits between competent anti-corruption authorities,” as well as to “improve cooperation mechanisms for extradition” and “accelerate the signing of extradition treaties.”<sup>332</sup>

On 16-17 September 2019, at the 14th meeting of the China-US Anti-Corruption Working Group in Beijing, both sides agreed to continue to deepen anti-corruption and pragmatic cooperation under the UNCAC and their respective legal frameworks. The meeting also reaffirmed the need to build a smoother and more efficient law enforcement cooperation mechanism to jointly combat transnational corruption crimes. The meeting further discussed specific cases related to repatriation.<sup>333</sup>

On 22 September 2019, the State Council Information Office published a white paper titled “Happiness for the People: 70 Years of Human Rights Development in New China,” which addresses several points on China’s progress on eradicating corruption.<sup>334</sup> The report states that “strong anti-corruption safeguards the interests of the people” and provided an overview of the role of the Central Commission for Discipline Inspection (CCDI) in anti-corruption operations.<sup>335</sup>

China has taken steps to address issues of extradition, repatriation and anti-corruption law enforcement on both domestic and international levels. It has also taken actions consistent with UNCAC provisions.

Thus, China receives a score of +1.

*Analyst: Jiayi Guo*

### **South Africa: +1**

South Africa fully complied with its commitment to cooperate in international anti-corruption efforts by taking measures on anti-corruption law enforcement; extradition of fugitives, economic and corruption offenders; and repatriation in matters relating to assets recovery and other related criminal and non-criminal matters involving corruption.

On 7 August 2018, South Africa pushed for the extradition of Reginald Bernstein for stealing ZAR11 million from an association in Gauteng. The government is currently negotiating with Zimbabwe for extradition.<sup>12</sup>

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<sup>330</sup> The Central Commission for Discipline Inspection, CCDI (Beijing) 11 September 2019. Access Date: 8 October 2019. <http://www.ccdi.gov.cn/yaowen>

<sup>331</sup> Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Ministry of Foreign Affairs (Beijing) 12 September 2019. Access Date: 8 October 2019. [https://focacsummit.mfa.gov.cn/eng/hyqk\\_1/t1594297.htm](https://focacsummit.mfa.gov.cn/eng/hyqk_1/t1594297.htm)

<sup>332</sup> Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Ministry of Foreign Affairs (Beijing) 12 September 2019. Access Date: 8 October 2019. [https://focacsummit.mfa.gov.cn/eng/hyqk\\_1/t1594297.htm](https://focacsummit.mfa.gov.cn/eng/hyqk_1/t1594297.htm)

<sup>333</sup> 中美反腐败工作组第14次会议举行 美驻华大使：中国反腐深得民心，US China Press (Beijing) 17 September 2019. Access Date: October 1, 2019. <http://www.uschinapress.com/2019/0917/1172344.shtml>

<sup>334</sup> 新中国人权事业发展70年白皮书指出：强力反腐维护人民利益，CCDI (Beijing) 23 September 2019. Access Date: 8 October 2019. [http://www.ccdi.gov.cn/yaowen/201909/t20190923\\_201104.html](http://www.ccdi.gov.cn/yaowen/201909/t20190923_201104.html)

<sup>335</sup> 新中国人权事业发展70年白皮书指出：强力反腐维护人民利益，CCDI (Beijing) 23 September 2019. Access Date: 8 October 2019. [http://www.ccdi.gov.cn/yaowen/201909/t20190923\\_201104.html](http://www.ccdi.gov.cn/yaowen/201909/t20190923_201104.html)

On 20 August 2018, the Zondo Commission of Inquiry, an inquiry and investigation led by Deputy Chief Justice Ray Zondo of state capture at the highest level by the Gupta Family and ex-President Jacob Zuma, began its first calls for witnesses.<sup>336</sup>

On 5 September 2018, President Cyril Ramaphosa attended the Forum on China-Africa Cooperation and committed South Africa to the Beijing Action Plan (2019-2021).<sup>337</sup> The Beijing Action Plan commits South Africa to greater anti-corruption cooperation with China under the provisions in the United Nations Convention against Corruption and other international instruments on a case-by-case basis. The Action Plan also includes provisions on repatriation and asset recovery, allowing for more flexibility in relation to domestic legal systems.<sup>338</sup>

On 6 September 2018, President Cyril Ramaphosa increased anti-corruption operations by authorizing an investigation into corruption charges against the national water department's business with the international software firm SAP based in Germany.<sup>339</sup>

On 25 September 2018, Minister of Justice and Correctional Services Michael Masutha and the United Arab Emirates' Minister of Justice Sultan bin Saeed Al Badi signed the Treaties on Extradition and Mutual Legal Assistance and Mutual Legal Assistance in Criminal Matters in Abu Dhabi, in an effort to curb and combat transnational crime in both countries.<sup>340</sup>

On 28 September 2018, the Constitutional Court ruled that Dobrosav Gavric can be extradited to Serbia for prosecution. He was behind bars in South Africa, awaiting a final ruling on extradition and subsequently to serve a prison sentence for murder in Serbia.<sup>341</sup>

On 9 October 2018, President Cyril Ramaphosa announced the resignation of finance minister Nhlanhla Nene over allegations of corruption and collusion with the Gupta family, who profited immensely from corruption within the African National Congress party by controlling cabinet appointments and state contracts.<sup>342</sup>

On 8 November 2018, the police arrested a Danish woman who was on Denmark's "most wanted" criminal list. Nielsen and her son were wanted as alleged criminals who committed a ZAR247 million fraud.<sup>343</sup>

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<sup>336</sup> The State Capture Inquiry: what you need to know, News24. 20 August 2018. Access Date: 6 January 2019. <https://www.news24.com/Analysis/the-state-capture-inquiry-what-you-need-to-know-20180819>.

<sup>337</sup> China-Africa Summit Highlights Climate Change as Existential Threat, Strengthens Cooperation, SDG Knowledge Hub. 3 September 2018. Access Date: 5 January 2019. <https://sdg.iisd.org/news/china-africa-summit-highlights-climate-change-as-existential-threat-strengthens-cooperation/>.

<sup>338</sup> Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Ministry of Foreign Affairs of the People's Republic of China (Beijing) 5 September 2018. Access Date: 5 January 2019. [https://www.fmprc.gov.cn/mfa\\_eng/zxxx\\_662805/t1593683.shtml](https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1593683.shtml).

<sup>339</sup> South Africa to probe state dealings with German firm SAP, The Seattle Times (Johannesburg) 6 September 2018. Access Date: 5 January 2019. <https://www.seattletimes.com/business/south-africa-to-probe-state-dealings-with-german-firm-sap/>.

<sup>340</sup> SA and UAE sign extradition treaty, Times LIVE. 26 September 2018. Access Date: 5 January 2019. <https://www.timeslive.co.za/news/south-africa/2018-09-26-sa-and-uae-sign-extradition-treaty/>.

<sup>341</sup> Serbian Gangsters' Deadly South African Connection (Belgrade) 12th November 2018. Access Date: 13 January 2019. <http://www.balkaninsight.com/en/article-serbian-gangsters-deadly-south-african-connection-11-08-2018>.

<sup>342</sup> South Africa finance minister resigns over Gupta scandal, Financial Times. 9 October 2018. Access Date: 5 January 2019. <https://www.ft.com/content/ad8440a0-cbd2-11e8-9fe5-24ad351828ab>.

<sup>343</sup> World's 'most wanted' expose SA as safe haven for criminals. News24. 8 November 2018. Access Date: 13 January 2019. [https://www.news24.com/Columnists/Mandy\\_Wiener/worlds-most-wanted-expose-sa-as-safe-haven-for-criminals-20181108](https://www.news24.com/Columnists/Mandy_Wiener/worlds-most-wanted-expose-sa-as-safe-haven-for-criminals-20181108).

On 22 December 2018, the anti-corruption agency initiated investigations into the killings of politicians who accused their rivals of corruptly diverting money intended for the renovation of a community hall. Leaked official documents showed that the municipality continued to pay a contractor and its subcontractor, even though the project was far behind schedule and making little progress.<sup>344</sup>

On 8 January 2019, the Directorate for Priority Crime Investigation confiscated drugs in Port Elizabeth, valued at ZAR720 million. These steps are taken in an effort to address organized international crime syndicates and the drug trade, as well as to strengthen the cooperation of other law enforcement agencies.<sup>345</sup>

On 10 January 2019, the Revenue Services' Customs Unit intercepted a consignment of rhino horns worth over ZAR23 million at the OR Tambo International Airport, destined for Dubai. This interception is a part of an ongoing initiative that increases enforcement of cargo regulations for outbound flights, following reports of rhino horns originating from South Africa.<sup>346</sup>

On 15 January 2019, the South African Police Service and Interpol successfully extradited a fugitive for a murder committed in Uganda. The Ugandan Justice Department requested via Interpol the arrest of Patrick Kasaija in Gauteng.<sup>347</sup>

On 28 March 2019, the Cape Town magistrate confirmed the extradition order for Lee Nigel Tucker to the United Kingdom to stand trial for alleged sexual assault of minors, and committed him to prison whilst awaiting the decision of the Minister of Justice in regard to his surrender. The request was made by the British High Commission in Pretoria, which claimed the accused had non-consensual oral and anal sex with minors, but could not be sentenced after he skipped bail and fled to South Africa.<sup>348</sup>

From 6-10 May 2019, South Africa participated in the 9th Commonwealth Regional Conference For Heads Of Anti-Corruption Agencies In Africa, as a member of the Commonwealth Africa Anti-Corruption Centre committee. They met in Kampala, Uganda for the 9th annual conference, themed "Time to Act: Prevent corruption for sustainable development." It created a platform for the anti-corruption agencies (ACAs) to share practices and innovations in the fight against corruption for the promotion of good governance through strengthening cooperation and collaboration among the ACAs.<sup>349</sup>

On 15 July 2019, South Africa's justice minister, Ronald Lamola applied to set aside the May 2019 extradition order for the Mozambican finance minister Manuel Chang. Chang was arrested at the request of the US for alleged involvement in USD2 billion of borrowing US authorities say was

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<sup>344</sup> Anti-Corruption Agency Calls for Inquiry into South Africa Killings. New York Times (Johannesburg) 22 December 2018. Access Date: 13 January 2019. <https://www.nytimes.com/2018/12/21/world/africa/south-africa-killings-corruption-anc.html>.

<sup>345</sup> Cocaine worth R720 million busted in Port Elizabeth. Black Excellence Network 8 January 2019. Access Date: 13 January 2019. <https://blackexcellencenetwork.co.za/cocaine-worth-r720-million-busted-in-port-elizabeth/28301/>

<sup>346</sup> R23 Million worth of Rhino Horns seized at OR Tambo Airport, JBay News 11 January 2019. Access Date: 13 January 2019. <https://www.jbaynews.com/r-23-million-worth-of-rhino-horns-seized-at-or-tambo-airport/>

<sup>347</sup> Hawks swoop in on three alleged drug dealers in Phoenix, IOL (Cape Town) 15 January 2019. Access Date: 27 September 2019. <https://www.iol.co.za/thepost/hawks-swoop-in-on-three-alleged-drug-dealers-in-phoenix-18820254>

<sup>348</sup> Tucker v Additional Magistrate, Cape Town and Others; Tucker v S (19434/17; A37/18) [2019] ZAWCHC 36; [2019] 2 All SA 852 (WCC); 2019 (2) SACR 166 (WCC) (28 March 2019), Southern African Legal Information Institute (Cape Town) 28 March 2019. Access Date: 28 September 2019. <http://saflii.org/za/cases/ZAWCHC/2019/36.html>

<sup>349</sup> 9th Commonwealth Regional Conference for Heads of Anti-Corruption Agencies in Africa. (6th To 10th May 2019) Commonwealth Africa Anti Corruption Centre (Gaborone) 6-10 May 2019. Access Date: 4 October 2019. <http://www.thecaacc.org/9th-commonwealth-regional-conference-heads-anti-corruption-agencies-africa-6th-10th-may-2019>

fraudulent. The reason for setting it aside included concern about Chang's political immunity, not yet revoked and no evidence for formal indictment in Mozambique. Lamola wanted to consider whether Chang could be extradited to the US.<sup>350</sup>

On 31 August 2019, the Anti-Corruption Team arrested a suspect who arrived at the OR Tambo International Airport from Cameroon. This man had fled South Africa in July 2019, due to his link to the syndicate of illegal registration of vehicles and imports involving SAPS members who were subsequently arrested.<sup>351</sup>

From 17-19 September 2019, Interpol held a conference on illicit substance trafficking in Cape Town. The discussions focused their activities for 2018 and 2019 and its capabilities, maritime trafficking, profiling containers, air trafficking, best practices, land trafficking, organized crime, trafficking through new technologies, and concluded with the adoption of recommendations.<sup>352</sup>

South Africa has taken actions in law enforcement, extradition and repatriation.

Thus, South Africa receives a score of +1.

*Analysts: Nour Habli and Lucia Dhafana-Mabika*

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<sup>350</sup> New SA justice minister aims to revoke Mozambique extradition order, Defence Web (Johannesburg) 15 July 2019. Access Date: 25 September 2019. <https://www.defenceweb.co.za/joint/diplomacy-a-peace/new-sa-justice-minister-aims-to-revoke-mozambique-extradition-order/>

<sup>351</sup> Man nabbed at OR Tambo airport in connection with eNatis fraud syndicate, RNews (Port Elizabeth) 2 September 2019. Access Date: 29 September 2019. <https://www.rnews.co.za/article/25164/man-nabbed-at-or-tambo-airport-in-connection-with-enatis-fraud-syndicate>

<sup>352</sup> MEC Albert Fritz welcomes Interpol's Conference on illicit substance trafficking in Cape Town (Pretoria) 17 September 2019. Access Date: 29 September 2019. <https://www.gov.za/st/node/791905>

## 4. Development: Infrastructure in Africa

2018-48: “We therefore reaffirm our support for sustainable infrastructure development in Africa, including addressing the infrastructure financing deficit.”

*BRICS Johannesburg Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Brazil		0	
Russia		0	
India			+1
China			+1
South Africa		0	
Average		+0.40	

### Background

Infrastructure development is key to sustainable economic growth in Africa and contributes significantly to improving human development, poverty reduction and the attainment of the sustainable development goals. Africa is characterized by a critical situation called an “infrastructure deficit.” The current situation across the continent proves dismal. According to the Brookings Institution that currently 319 million people are living without access to improved reliable drinking water sources, 695 million people are living without basic sanitation access, only 34% have road access, and 620 million people do not have access to electricity (sub-Saharan Africa).<sup>353</sup> These insufficient infrastructure networks across the continent prevent various fundamental activities that aid the economy to take place, such as cross-border flows of trade, capital, information, and people. Adequate attention must be given to Africa’s infrastructure needs in transport, energy, water and sanitation, housing and information and communication technologies in order to see sustainable economic growth.

Numerous forums and conferences have shed light on the current situation of Africa’s infrastructure deficit. They cite weak regulatory frameworks, un-conducive institutional environments, limited local capacity, and bankability as reasons for breakdowns in infrastructure projects.<sup>354</sup> The Programme for Infrastructure Development in Africa (PIDA) is currently Africa’s greatest opportunity to overcome the infrastructure deficit, with a predicted investment value of USD 75 billion up to 2040.<sup>355</sup> However, PIDA has significantly advanced only four of the 51 major programs, according to the World Economic Forum. Securing financial investment has been a challenge for PIDA, which has contributed to the stagnancy of the infrastructure projects.

In addition to PIDA, the African Strategic Infrastructure Initiative (ASII) has been assisting the continent to overcome their infrastructure deficit since 2012 by facilitating a collaborative process

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<sup>353</sup>The road ahead for fixing Africa’s infrastructure deficit, Brookings Institution (Washington) 16 November 2017. Access Date: 23 October 2018. <https://www.brookings.edu/blog/africa-in-focus/2017/11/16/the-road-ahead-for-fixing-africas-infrastructure-deficit/>

<sup>354</sup>Africa Strategic Infrastructure Initiative - The Project-Preparation Challenge (World Economic Forum) No date. Access Date: 25 October 2018. <http://reports.weforum.org/africa-strategic-infrastructure-initiative/1-the-project-preparation-challenge/#view/fn-2>

<sup>355</sup>Africa Strategic Infrastructure Initiative - The Project-Preparation Challenge, World Economic Forum (Cologny-Geneva) 12 May 2015. Access Date: 25 October 2018. <http://reports.weforum.org/africa-strategic-infrastructure-initiative/1-the-project-preparation-challenge/#view/fn-2>

between governments, private sectors and development finance institutions.<sup>356</sup> ASII recognized that investment in African infrastructure projects, particularly in the early stages, are generally regarded as high-risk investments because of a shortage of appropriate resources, poor regulatory environments, and inadequate project management.<sup>357</sup> Therefore, the amount of “bankable” projects for private investors has been limited.<sup>358</sup>

In an effort to bolster private sector investment, the African Development Bank (AfDB) used the Africa Investment Forum to bridge an infrastructure funding gap of up to USD 170 billion a year.<sup>359</sup> PIDA should also address these major gaps.<sup>360</sup> African nations are also depending on a combination of private sector investment, pension funds, sovereign wealth funds and their foreign exchange reserves invested offshore to quickly close the gap. It should be realized that these efforts are not without their pitfalls and many factors prevent them to achieving their full potential.

Opportunities will arise once the infrastructure deficit is bridged. In fact, the World Economic Forum reported that simulations suggest that the per capita economic growth in the region could increased by 2.2% if all African countries were to catch up with Mauritius in infrastructure.<sup>361</sup> Africa needs to commit itself to fighting corruption, implementing strong regulatory practices, leveraging and mobilizing local resources, and legitimizing Infrastructure Project Preparation Facilities in order to pull the necessary funding it requires from private investors to bolster infrastructure projects.

### **BRICS Development Governance**

On 9 June 2009, at the Yekaterinburg Summit, the BRICS heavily focused on collaboration in face of the financial crisis. They stated that the international community should help the poorest countries, as they were most affected. Developed countries should commit 0.7% of their gross national Income for the official development assistance, try to minimize the impact of the financial crisis on development, and achieve Millennium Development Goals (MDGs) in these countries. They also emphasized the importance of sustainable development, brought up in the Rio Declaration.

At the 2010 Brasilia Summit, the BRIC countries emphasized the importance of emerging countries and developing countries in promoting global economic development. They stated BRIC countries have increased their support of the International Bank for Reconstruction and Development, the International Finance Corporation, and other multilateral development banks. Towards the end, they endorsed the first meeting of development banks, a sectoral initiative. This joint statement had a specific “development” section. Firstly, they reiterated the importance of the United Nations Millennium Development Goals (MDGs), technical cooperation and financial support, and

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<sup>356</sup> Africa Strategic Infrastructure Initiative - Forward: Development Bank of South Africa, World Economic Forum (Cologny-Geneva) 12 May 2015. Access Date: 25 October 2018. [http://reports.weforum.org/africa-strategic-infrastructure-initiative/foreword-development-bank-of-southern-africa/?doing\\_wp\\_cron=1540482418.8696899414062500000000](http://reports.weforum.org/africa-strategic-infrastructure-initiative/foreword-development-bank-of-southern-africa/?doing_wp_cron=1540482418.8696899414062500000000)

<sup>357</sup> Africa Strategic Infrastructure Initiative - Executive Summary, World Economic Forum (Cologny-Geneva) 12 May 2015. Access Date: 25 October 2018. [http://reports.weforum.org/africa-strategic-infrastructure-initiative/executive-summary/?doing\\_wp\\_cron=1540483331.8638870716094970703125](http://reports.weforum.org/africa-strategic-infrastructure-initiative/executive-summary/?doing_wp_cron=1540483331.8638870716094970703125)

<sup>358</sup> Africa Strategic Infrastructure Initiative - Executive Summary, World Economic Forum (Cologny-Geneva) 12 May 2015. Access Date: 25 October 2018. [http://reports.weforum.org/africa-strategic-infrastructure-initiative/executive-summary/?doing\\_wp\\_cron=1540483331.8638870716094970703125](http://reports.weforum.org/africa-strategic-infrastructure-initiative/executive-summary/?doing_wp_cron=1540483331.8638870716094970703125)

<sup>359</sup> AfDB Seeks to Plug Africa \$170 Billion Infrastructure Needs, Bloomberg (No location) 8 May 2018. Access Date: 23 October 2018. <https://www.bloomberg.com/news/articles/2018-05-08/afdb-seeks-funds-to-plug-africa-170-billion-infrastructure-gap>

<sup>360</sup> PIDA, African Union (Addis Ababa) No date. Access Date: 23 October 2018. <https://au.int/en/ie/pida>

<sup>361</sup> Africa Strategic Infrastructure Initiative - The Project-Preparation Challenge, World Economic Forum (Cologny-Geneva) 12 May 2015.. Access Date: 25 October 2018. <http://reports.weforum.org/africa-strategic-infrastructure-initiative/1-the-project-preparation-challenge/#view/fn-2>

sustainable development models. Second, they stated that development assistance to developing countries should not be cut, and commitments should be fulfilled.

At the 2011 Sanya Summit, South Africa official became the fifth member of the group. At first, the BRICS stressed their support of the G20 in the global economy, finance, trade, and development. They reaffirmed their commitments to the MDGs. Sustainable development was emphasized again in the Sanya Summit. Furthermore, for the first time, they indicated their support for infrastructure development and industrialization in Africa. In the end, they introduced their action plan. In the action plan, they pledged to strengthen financial cooperation among the BRICS development banks.

At the 2015 Ufa Summit, BRICS countries heavily stressed industrial development and production as a fundamental source of economic growth, called for cooperation and collaboration to boost productivity. The BRICS also emphasized balanced economic sectors, innovation, mobilization of resources, and private investment as key factors to facilitating economic growth. BRICS leaders committed to strengthen financial and economic cooperation, especially within the New Development Bank to financing infrastructure investment and sustainable development projects. In addition, BRICS leaders encouraged investment in infrastructure, logistics and renewable sources of energy to promote sustainable development.<sup>362</sup>

At the 2016 Goa Summit, the BRICS pledged their support for the African Union's (AU) goals and priorities set in Agenda 2063 and the UN's 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs), with the underlying focus of poverty eradication. BRICS leaders continued to stress innovation and industrial development as the core pillars for structural economic transformation. BRICS countries also recognized the importance of public and private investments in infrastructure to ensure sustained long-term growth.<sup>363</sup>

At the 2017 Xiamen Summit, BRICS countries reaffirmed their intention to strengthen cooperation with Africa in support of its pursuit of Agenda 2063. BRICS leaders welcomed the launch of the first NDB Africa Regional Center in South Africa. The BRICS pledged to help Africa promote employment, food security, infrastructure development and industrialization through various initiatives and projects. BRICS leaders continued to stress the importance, and commit to BRICS industrial cooperation, including on industrial capacities and policies, and new industrial infrastructure.<sup>364</sup>

At the 2018 Johannesburg Summit, the BRICS reiterated their commitment for implementing the 2030 Agenda and the SDGs. BRICS countries emphasized the critical role of infrastructure development in stimulating job creation, poverty eradication, and sustainable development. BRICS leaders recognized the importance of scientific, technical, and entrepreneurial innovation for sustainable development, while acknowledging the need for skills development to mend the gap between new skills demanded by an increasingly technological economy and the older skill set of current workers.<sup>365</sup>

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<sup>362</sup> VII BRICS Summit: 2015 Ufa Declaration, BRICS Information Centre (Ufa) 9 July 2015. Access Date: 25 October 2018. [http://www.brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://www.brics.utoronto.ca/docs/150709-ufa-declaration_en.html)

<sup>363</sup> 8th BRICS Summit: Goa Declaration, BRICS Information Centre (Goa) 16 October 2016. Access Date: 25 October 2018. <http://www.brics.utoronto.ca/docs/161016-goa.html>

<sup>364</sup> BRICS Leaders Xiamen Declaration, BRICS Information Centre (Xiamen) 4 September 2017. Access Date: 25 October 2018. <http://www.brics.utoronto.ca/docs/170904-xiamen.html>

<sup>365</sup> BRICS in Africa: Collaboration for Inclusive Growth and Shared Prosperity in the 4th Industrial Revolution, BRICS Information Centre (Johannesburg) 26 July 2018. Access Date: 25 October 2018. <http://www.brics.utoronto.ca/docs/180726-johannesburg.html>

## Commitment Features

**Reaffirm:** “affirm again” whereby affirm is to assert emphatically, declare support, uphold, confirm or ratify a judgement.<sup>366</sup>

**Support:** the action, or act of providing aid, assistance, or backing up an initiative, or entity.

**Sustainable infrastructure development:** Currently, many African countries are desperately short of adequate and sustainable infrastructure essential to economic growth and sustainable development. The BRICS members reaffirm their commitment this year to continue supporting infrastructure development in Africa with emphasis on the development of sustainable infrastructure. Infrastructure refers to “a set of structural elements that supports the day-to-day function of human society,” while sustainable infrastructure requires the adoption of appropriate processes with social, economic, ecological and environmental considerations to preserve “human equity, diversity, and the functionality of natural systems” when designing, building, and operating these structural elements.<sup>367</sup> Main sectors of infrastructure development in Africa include energy, water, and transportation. Due to the lack of economies of scale and limited competition, infrastructure development in Sub-Saharan Africa is about twice as costly as in other developing regions.<sup>368</sup>

**Infrastructure financing deficit:** The primary challenge facing sustainable development in Africa is the financing deficit in infrastructure among African countries. The continent’s infrastructure requires approximately \$130-170 billion annually to maintain and develop, yet their infrastructure financing deficit is estimated at approximately \$68-108 billion annually.<sup>369</sup> The continent itself is composed of diverse economies that range from robust and self-sufficient to weak and underdeveloped. While larger African economies have the ability to fund their own development projects, smaller economies in the region lack the domestic revenue to do so. Foreign investment can thus alleviate the financing challenges faced by said smaller economies through the injection of foreign capital into their infrastructure development.<sup>370</sup>

## Scoring Guidelines

-1	BRICS Member does not support sustainable infrastructure development in Africa, and did not take any measures to address the infrastructure financing deficit.
0	BRICS Member takes actions to support sustainable infrastructure development in Africa, but did not specifically take measures to address the infrastructure financing deficit.
+1	BRICS Member takes actions to support sustainable infrastructure development in Africa, and specifically took measures to address the infrastructure financing deficit.

### Brazil: 0

Brazil has partially complied with its commitment to support sustainable infrastructure development in Africa and to address the infrastructure financing deficit in Africa.

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<sup>366</sup> Affirm, Oxford Dictionaries. Access Date: 23 October 2018. <https://en.oxforddictionaries.com/definition/affirm>

<sup>367</sup> Sustainable Infrastructure, CRC Research. Access Date: 23 October 2018. <https://www.crcresearch.org/sustainable-infrastructure/sustainable-infrastructure>

<sup>368</sup> Sustainable infrastructure development in Sub-Saharan Africa, ISID April 2017. Access Date: 23 October 2018. [https://www.mcgill.ca/isid/files/isid/j\\_saghir\\_research\\_to\\_practice\\_policy\\_brief.pdf](https://www.mcgill.ca/isid/files/isid/j_saghir_research_to_practice_policy_brief.pdf)

<sup>369</sup> Bridging Africa’s Infrastructure Gap, World Finance (London) 20 April 2018. Access date: 23 October 2018. <https://www.worldfinance.com/infrastructure-investment/project-finance/bridging-africas-infrastructure-gap>

<sup>370</sup> Bridging Africa’s Infrastructure Gap, World Finance (London) 20 April 2018. Access date: 23 October 2018. <https://www.worldfinance.com/infrastructure-investment/project-finance/bridging-africas-infrastructure-gap>

On 23 November 2018, the 6th Brazil Africa Forum was held in Salvador, Brazil.<sup>371</sup> More than 200 representatives from Brazil and 38 African countries discussed new strategies between Brazil and African countries. The key focus of this forum was on promoting youth empowerment and sustainable development. Participants reaffirmed the importance of strengthening South-South Cooperation and establishing a sustainable partnership group.<sup>372</sup> This forum did not lead to concrete results, such as binding agreements or targets. Representatives from Brazil only acknowledged the huge potentials of Brazil-African cooperation but did not make any commitments.

On 30 November 2018, Brazil met with the Heads of State and Government of the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa in Buenos Aires, Argentina, for an informal meeting ahead of the G20 summit. The countries affirmed the support for infrastructure development and commitment to contribute to bridging the global infrastructure gap, namely by “mobilizing resources for sustainable and disaster resilient infrastructure through national and collective initiatives, including the New Development Bank.”<sup>373</sup>

On 24 January 2019, a meeting was held in Davos, Switzerland during the World Economic Forum between Brazil's President Jair Bolsonaro and his South African counterpart, Cyril Ramaphosa.<sup>374</sup> The countries' leaders discussed strengthening their bilateral relationship to combat common issues, such as unemployment and inequality.<sup>375</sup>

On 28 June 2019, a meeting among BRICS countries took place in Osaka, Japan during the 2019 G20 Osaka Summit.<sup>376</sup> Jair Bolsonaro, Brazil's new president, vowed that his administration will take active efforts to strengthen BRICS. He said that Brazil will continue to strengthen the cooperation among the five countries, that ensuring funding needs of infrastructure is a priority for his administration. Nonetheless, President Bolsonaro did not specify how Brazil will comply with its commitment to support sustainable infrastructure development in Africa or mentioned any concrete actions that Brazil will make under the new administration.<sup>377</sup>

Brazil took actions to support sustainable infrastructure development in Africa but not specifically for addressing the infrastructure financing deficit.

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<sup>371</sup> Sixth Forum Brazil Africa discusses youth employment in agriculture: focusing on sustainability and improving food security, Sixth Brazil Africa Forum (Brazil) 23 November 2018. Access date: 12 January 2019.

<https://forumbrazilafrika.com/6th-forum-brazil-africa-discusses-youth-employment-in-agriculture-focusing-on-sustainability-and-improving-food-security/>

<sup>372</sup> Sixth Forum Brazil Africa comes to a close with debate on high-level partnerships between countries, Sixth Brazil Africa Forum (Brazil) 23 November 2018. Access date: 12 January 2019. <https://forumbrazilafrika.com/6th-forum-brazil-africa-comes-to-a-close-with-debate-on-high-level-partnerships-between-countries/>

<sup>373</sup> Informal BRICS leaders' meeting on the margins of The G20 Summit – Buenos Aires, Argentina – November 30, 2018, Government of Brazil (Panácia do Planalto) 30 November 2018. Access date: 9 January 2019.

<http://www.itamaraty.gov.br/en/press-releases/19793-informal-brics-leaders-meeting-on-the-margins-of-the-g20-summit-buenos-aires-argentina-november-30-2018>

<sup>374</sup> Brazil and South Africa discuss increased partnership between countries, Presidency of the Republic of Brazil (Brasilia) 25 January 2019. Access date: 30 September 2019. <http://www.brazil.gov.br/about-brazil/news/2019/01/brazil-and-south-africa-discuss-increased-partnership-between-countries>

<sup>375</sup> Brazil and South Africa discuss increased partnership between countries, Presidency of the Republic of Brazil (Brasilia) 25 January 2019. Access Date: 30 September 2019. <http://www.brazil.gov.br/about-brazil/news/2019/01/brazil-and-south-africa-discuss-increased-partnership-between-countries>

<sup>376</sup> Bolsonaro vows to boost BRICS cooperation, Agência Brasil (Brasilia) 28 June 2019. Access Date: 30 September 2019. <http://agenciabrasil.ebc.com.br/en/economia/noticia/2019-06/bolsonaro-vows-boost-brics-cooperation>

<sup>377</sup> Bolsonaro vows to boost BRICS cooperation, Agência Brasil (Brasilia) 28 June 2019. Access Date: 30 September 2019. <http://agenciabrasil.ebc.com.br/en/economia/noticia/2019-06/bolsonaro-vows-boost-brics-cooperation>

Thus, Brazil receives a score of 0.

*Analysts: Jessica Afonso and Yushu Ma*

### **Russia: 0**

Russia has partially complied with its commitment to support sustainable infrastructure development in Africa and address the infrastructure financing deficit.

On 31 August 2018, Russian Foreign Minister Sergei Lavrov announced an investment to establish an Eritrean naval port as the two countries negotiate about setting up a logistics centre. The proposed initiative is an attempt to promote bilateral trade between the two countries while expanding Eritrea's trade infrastructure, going in accordance with Russian promises of promoting sustainable infrastructure development in Africa.<sup>378</sup>

On 15 December 2018, Russia announced its intentions to participate and invest in the construction of a trans-African railway over Dakar–Port Sudan–Cape Town. The railway running from Western Africa to Eastern Africa will foster trade between sub-Saharan states and deepen Africa's economic integration and unity. Moscow's indication of interest in this project demonstrates Russia's desire to commit to its declaration of supporting infrastructure development in Africa. However, Russia has yet to propose any further concrete information to guarantee its participation.<sup>379</sup>

On 20 December 2018, Russian State Geological Company (Rosgeo) signed a memorandum of understanding with South Sudan in Port Sudan, Sudan, that promises to further Russia's energy investments in the country. Russia's investments in South Sudan's oil infrastructure would help the country to rebuild its economy that was heavily damaged during the country's war of independence. Rosgeo and South Sudan will also continue to discuss about future areas of interests such as refinery building, oil and gas exploration and developments of oil and gas licenses.<sup>380</sup>

From 5-8 June 2019, St. Petersburg International Economic Forum 2019 took place, featuring a Russia-Africa business dialogue.<sup>381</sup> For the first time, the forum hosted representatives from countries including Côte d'Ivoire, Lesotho, Niger, Somalia, and Eswatini.<sup>382</sup>

On 21 June 2019, Dmitry Medvedev spoke at the Russia-Africa Economic Conference, held in conjunction with the 26th annual shareholders' meeting of the African Export-Import Bank (Afreximbank). Medvedev reiterated the Russian government's belief in "a new era of Russian-African cooperation" through a series of Russia-Africa events in 2019.<sup>383</sup>

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<sup>378</sup> "Russia Plans Investment in Eritrean Port as Foreign Ministers Meet." 2018. Africanews. Accessed January 13, 2019. <http://www.africanews.com/2018/08/31/russia-plans-investment-in-eritrean-port-as-foreign-ministers-meet/>

<sup>379</sup> Russia May Participate in Construction of Trans-African Railway." 2018. RT International. Accessed January 13, 2019. <https://www.rt.com/business/446538-russia-trans-african-railway/>

<sup>380</sup> South Sudan Welcomes Russian Investment with Rosgeo Agreement." 2018. *Africa Oil & Power* (blog). December 20, 2018. Accessed January 13, 2019. <https://africАОilandpower.com/2018/12/20/south-sudan-welcomes-russian-investment-with-rosgeo-agreement/>

<sup>381</sup> Outcomes of SPIEF 2019, SPIEF (St. Petersburg). Access Date: 30 September 2019. <https://forumspb.com/en/news/news/itogi-raboty-pmef-2019/>

<sup>382</sup> St. Petersburg International Economic Forum 2019, Roscongress Foundation (St. Petersburg) 5-8 June 2019. Access Date: 30 September 2019. <https://roscongress.org/en/events/peterburgskiy-mezhdunarodnyy-ekonomicheskiy-forum-2019/>

<sup>383</sup> Russia-Africa Economic Conference, The Russian Government (Moscow) 21 June 2019. Access Date: 30 September 2019. <http://m.government.ru/en/all/37113/>

On 26 August 2019, the Roscongress Foundation announced the launch of the official website for the Russia-African Summit and Economic Forum.<sup>384</sup> This foundation is a non-financial development institution and major event organizer founded in 2007. The foundation aims to facilitate Russian economic development, promote Russian national interests, and strengthen the country's image. The Russia-Africa Economic Forum will take place at the Olympic Park Media Centre in Sochi on 23-24 October, along with the Russia-Africa Summit to be held on the second day.<sup>385</sup> Invited African heads of state and government officials, business communities from Russia and Eurasia and those who operate in a global context, as well as many representatives from Africa will attend the event.<sup>386</sup>

Russia took measure to support sustainable infrastructure development in Africa, but did not make any visible move to address the infrastructure financing deficit.

Thus, Russia receives a score of 0.

*Analysts: Ryan Fung and Wenny (Yijiao) Jin*

### **India: +1**

India fully complied with its commitment to support sustainable infrastructure development in Africa and to address the infrastructure financing deficit.

On 28 October 2018, at the 13th India-Japan Annual Summit Prime Minister Narendra Modi and Prime Minister Shinzo Abe discussed the “Asia-Africa Growth Corridor,” an initiative that promotes Asian development in Africa as the “Platform for Japan–India Business Cooperation in Asia–Africa Region.”<sup>387</sup> However, this meeting focused on business initiatives and did not lead to actions to support sustainable infrastructure development in Africa.

On 9 November 2018, the Africa Investment Forum was held in Johannesburg, South Africa. It was noted that India was a participant in the event.<sup>388</sup> However, there is until now no evidence of any infrastructure related deal that was signed at the event between India and any African country.

On 17-19 March 2019, ministers from over thirty seven African countries participated in the 14th CII-EXIM Bank Conclave on India-Africa Project Partnerships. The event was co-organized by the Ministry of Commerce, Confederation of Indian Industry and Exim Bank of India in order to boost bilateral relations between India and Africa. This is aligned with India’s previous commitment of USD 7.5 billion to African infrastructure development for 37 projects in 40 countries, which will reduce the infrastructure financing deficit.<sup>389</sup>

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<sup>384</sup> Russia–Africa Summit and Economic Forum Launches Official Website, Roscongress Foundation (St. Petersburg) 26 August 2019. Access Date: 30 September 2019.

<https://roscongress.org/en/news/russiaafrica-summit-and-economic-forum-launches-official-website/>.

<sup>385</sup> Russia–Africa Economic Forum, Roscongress Foundation (St. Petersburg). Access Date: 30 September 2019.

<https://roscongress.org/en/events/ekonomicheskiy-forum-rossiya-afrika-/>

<sup>386</sup> Russia–Africa Economic Forum, Roscongress Foundation (St. Petersburg). Access Date: 30 September 2019.

<https://roscongress.org/en/events/ekonomicheskiy-forum-rossiya-afrika-/>

<sup>387</sup> Asia–Africa Growth Corridor at the crossroads of business and geopolitics, IFRI (Paris) 8 November 2018. Access Date: 9 January 2018. <https://www.ifri.org/en/publications/publications-ifri/articles-ifri/asia-africa-growth-corridor-crossroads-business-and>

<sup>388</sup> Africa Investment Forum 2018: Unveiling the boardroom deals, key highlights, Arica News (Pointe Noire) 9 November 2018. Access Date: 9 January 2018. <http://www.africanews.com/2018/11/09/africa-investment-forum-2018-unveiling-the-boardroom-deals-key-highlights//>.

<sup>389</sup> 14th CII-EXIM Bank Conclave on India-Africa Project Partnerships to begin on Mar 17, Business Standard (New Delhi) 15 March 2019. Access Date: 27 September 2019. [https://www.business-standard.com/article/news-ani/14th-cii-exim-bank-conclave-on-india-africa-project-partnerships-to-begin-on-mar-17-119031500501\\_1.html](https://www.business-standard.com/article/news-ani/14th-cii-exim-bank-conclave-on-india-africa-project-partnerships-to-begin-on-mar-17-119031500501_1.html)

On 29 March 2019, India and the United States signed the First Amendment to the Statement of Guiding Principles on Triangular Cooperation for Global Development. This amendment provides a framework for joint collaboration of India and the US with partner countries in Africa and Asia for capacity building across multiple areas including infrastructure development.<sup>390</sup>

On 17 June 2019, India granted Niger a USD 15 million financial package which was used for infrastructure improvements before they hosted the African Union summit, including a new convention center. This action was in line with New Delhi's development partnership model for Africa based on cooperation and local needs. This aligns with other infrastructure development initiatives in the country by India, as they have additionally committed to establishing up a Centre for Geo-Informatics Applications in Rural Development and is the establishment of a technology development centre.<sup>391</sup>

On 11-12 September 2019, India hosted the Mid-term Review Meeting of the Strategic Cooperation Framework of Africa-India Forum Summit III in New Delhi. The African Union delegation acknowledged Indian's presentation on the implementation status of various commitments made regarding lines of credit, grants and capacity building initiatives and their commitment to determine other opportunities to support the continent moving forward. Through this meeting India reaffirms its commitment to the cooperation areas of the Summit, which includes infrastructure development supports.<sup>392</sup>

India has taken substantive action to support sustainable infrastructure development in Africa, including through addressing the infrastructure financing deficit.

Thus, India receives a score of +1.

*Analysts: Niara Sareen and Natasha Pirzada*

### **China: +1**

China has fully complied with its commitment to support sustainable infrastructure development in Africa, and specifically took measures to address the infrastructure financing deficit.

On 3 September 2018, President Xi Jinping announced USD60 billion in aid and loans to Africa from 2019 to 2021 during the third Summit of the Forum on China-Africa Cooperation (FOCAC).<sup>393</sup> The money will be primarily focused on infrastructure to assist and quicken African countries' development, while part of the fund will be towards extending "USD 15 billion of grants, interest-

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<sup>390</sup> India and United States Renew Triangular Development Cooperation in Asia and Africa, Media Centre Ministry of External Affairs Government of India (New Delhi) 29 March 2019. Access Date: 27 September 2019.

[https://www.meaindia.gov.in/bilateral-documents.htm?dtl/31189/India\\_and\\_United\\_States\\_Renew\\_Triangular\\_Development\\_Cooperation\\_in\\_Asia\\_and\\_Africa](https://www.meaindia.gov.in/bilateral-documents.htm?dtl/31189/India_and_United_States_Renew_Triangular_Development_Cooperation_in_Asia_and_Africa)

<sup>391</sup> India Extends \$ 50 Million Package To Host African Union Summit, Economics Times (New Delhi) 12 July 2019. Access Date: 29 September 2019. [//economictimes.indiatimes.com/articleshow/70186194.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](http://economictimes.indiatimes.com/articleshow/70186194.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst)

<sup>392</sup> Joint Press Statement by India and the African Union on the Mid-Term Review Meeting of the Strategic Cooperation Framework of India-Africa Forum Summit III, Media Centre Ministry of External Affairs Government of India (New Delhi) 12 September 2019. Access Date: 29 September 2019. <https://meaindia.gov.in/bilateral-documents.htm?dtl/31819/Joint+Press+Statement+by+India+and+the+African+Union+on+the+MidTerm+Review+Meeting+of+the+Strategic+Cooperation+Framework+of+IndiaAfrica+Forum+Summit+III>

<sup>393</sup> China Pledges \$60 Billion in Financing to an Increasingly Debt-Distressed Africa, Council on Foreign Relations (New York City). 21 September 2018. Access Date: 9 January 2019 <https://www.cfr.org/blog/china-pledges-60-billion-financing-increasingly-debt-distressed-africa>

free loans and concessional loans to Africa.”<sup>394</sup> China also announced that the incurred debt of Africa’s “least developed countries, heavily indebted and poor countries” due by 2018 will be exempted.<sup>395</sup>

On 4 September 2018, President Xi announced the FOCAC Beijing Action Plan (2019-2021), which included the following pledges:

1. The establishment of a China-Africa Research Center for the Development of Green Agriculture to “actively advance cooperation between Chinese and African agribusinesses and social organizations.” The Research Center will undertake joint research on sustainable development, investment promotion, technical exchanges.<sup>396</sup>
2. Its intent to “to jointly formulate a China-Africa infrastructure cooperation plan with the African Union,” reaffirming their support for the development, financing, and operation of sustainable energy sources with Africa. China declares that it will “support the development of renewable energy, mainly solar energy in Africa as well as the use of battery storage and strengthening of the electricity grid,” and encourages the mutually beneficial cooperation of Chinese and African companies to carry out projects in sustainable energy.<sup>397</sup>
3. Encouraging the establishment of the China-Africa Joint Research Center to “carry out cooperation in conducting scientific research and training professionals.” The Research Center will be focused on environmental safety and sustainable practices, specifically regarding ecological preservation, biodiversity protection, agriculture and food security, water environment treatment, and public health.<sup>398</sup>
4. Affirming their commitment to “form a strong synergy” between the Belt and Road Initiative, the 2030 Agenda for Sustainable Development of the United Nations, and Agenda 2063 of the African Union, emphasizing the need for connectivity between China and Africa in infrastructure, trade, and finance to strengthen African infrastructure and industrial development.<sup>399</sup>

On 4 November 2018, China hosted its first Import Expo in November, and used the expo as a showcase of its willingness to open up. President Xi Jinping met with Kenyan President Uhuru Kenyatta during the expo, and discussed about measurements to strengthen trade and investment between two countries. President Xi gave a firm assurance that China would take proactive measure to deal with trade imbalance between Kenya and China.<sup>400</sup>

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<sup>394</sup>China pledges \$60 billion in aid and loans to Africa, no ‘political conditions attached’, Washington Post (Beijing). 3 September 2018. Access Date: 9 January 2019. [https://www.washingtonpost.com/world/china-pledges-60-billion-in-aid-and-loans-to-africa-no-strings-attached/2018/09/03/a446af2a-af88-11e8-a810-4d6b627c3d5d\\_story.html?utm\\_term=.2bc0cdf96d94](https://www.washingtonpost.com/world/china-pledges-60-billion-in-aid-and-loans-to-africa-no-strings-attached/2018/09/03/a446af2a-af88-11e8-a810-4d6b627c3d5d_story.html?utm_term=.2bc0cdf96d94)

<sup>395</sup> Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Forum on China-Africa Cooperation (Beijing). 12 September 2018. Access Date: 9 January 2019. [https://focacsummit.mfa.gov.cn/eng/hyqk\\_1/t1594297.htm](https://focacsummit.mfa.gov.cn/eng/hyqk_1/t1594297.htm)

<sup>396</sup>Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Forum on China-Africa Cooperation (Beijing). 12 September 2018. Access Date: 9 January 2019. [https://focacsummit.mfa.gov.cn/eng/hyqk\\_1/t1594297.htm](https://focacsummit.mfa.gov.cn/eng/hyqk_1/t1594297.htm)

<sup>397</sup> Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Forum on China-Africa Cooperation (Beijing). 12 September 2018. Access Date: 9 January 2019. [https://focacsummit.mfa.gov.cn/eng/hyqk\\_1/t1594297.htm](https://focacsummit.mfa.gov.cn/eng/hyqk_1/t1594297.htm)

<sup>398</sup> Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Forum on China-Africa Cooperation (Beijing). 12 September 2018. Access Date: 9 January 2019. [https://focacsummit.mfa.gov.cn/eng/hyqk\\_1/t1594297.htm](https://focacsummit.mfa.gov.cn/eng/hyqk_1/t1594297.htm)

<sup>399</sup> Forum on China-Africa Cooperation Beijing Action Plan (2019-2021), Forum on China-Africa Cooperation (Beijing) 12 September 2018. Access Date: 9 January 2019. [https://focacsummit.mfa.gov.cn/eng/hyqk\\_1/t1594297.htm](https://focacsummit.mfa.gov.cn/eng/hyqk_1/t1594297.htm)

<sup>400</sup> China Silk Giant to Set Up Base in Kenya, The East African (Beijing) 4 November 2018. Access Date: 10 January 2019. <https://www.theeastfrican.co.ke/news/ea/China-silk-giant-to-set-up-base-in-Kenya/4552908-4836572-10awucgz/index.html>

On 14 November 2018, Ma Zhaoxu, the Chinese Permanent Representative to the United Nations, called for a constructive assistance from the international community to the countries in the Horn of Africa during the Security Council meeting. Ambassador Ma urged the international community to recognize the improvements in the Horn of African countries' relations, and called for the countries in the region to seize opportunity to achieve peace, stability, and development. China also voted in favour of lifting a nearly decade-old arms embargo and targeted sanctions on Eritrea.<sup>401</sup>

On 18 November 2018, China's Foreign Ministry spokeswoman Hua Chunying said that no developing country would fall into a debt trap due to its cooperation with China. She restated that China would help these countries to develop their independent development capabilities, and level, as well as improving the lives of the local people. This was as response to Mike Pence comment during the Asia Pacific Economic Cooperation summit.<sup>402</sup>

On 3 December 2018, the China Council for the Promotion of International Trade, in partnership with the China-Africa Development Fund sponsored the first Africa-China business forum in Addis Ababa, and was scheduled to be hosted on an ongoing annual basis by the Ethiopian Chamber of Commerce and Sectoral Associations and China International Exhibition Center. It was intended to emphasize "the strong business and investment ties between Ethiopia and China, both at government as well as business level," as well as utilize the opportunity to create business partnerships and ventures between China and African countries.<sup>403</sup>

On 3 January 2019, State Councillor and Foreign Minister Wang Yi met with Ethiopian President Sahle-Work Zewde and agreed upon the importance of further strengthening bilateral ties. Wang stated his belief that the Ethiopian government and its people would be able to explore the development path that is both effective and suitable. He also stated that China was willing to be a long-term and reliable partner with Ethiopia during its course of development. Both China and Ethiopia agreed to implement the outcomes of the FOCAC Beijing Summit from September 2018, strengthen cooperation under the Belt and Road Initiative platform.<sup>404</sup>

On 3 January 2019, the Chinese Foreign Ministry stressed its keenness on fostering cooperation and coordination with Egypt as it would chair the African Union in the upcoming month. Spokesperson Lu Kang stated that China is interested in bolstering development in Africa, and Africa is the first destination for the Chinese Foreign Minister in the new year.<sup>405</sup>

On 6 January 2019, Minister Wang stated that China would be willing to work with Senegal to promote bilateral ties as well as China-Africa comprehensive strategic partnership. He reaffirmed Chinese support to Senegal in its attempt take its own development path. While China was willing to

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<sup>401</sup> China Urges International Community to Support Horn of Africa, Xinhua News (Beijing) 15 November 2018. Access Date: 10 January 2019. [http://www.xinhuanet.com/english/2018-11/15/c\\_129994507.htm](http://www.xinhuanet.com/english/2018-11/15/c_129994507.htm)

<sup>402</sup> China: No Developing Country Will Fall Into Debt Trap by Cooperating with China, Eyewitness News (Beijing) 18 November 2018. Access Date: 10 January 2019. <https://ewn.co.za/2018/11/18/china-no-developing-country-will-fall-into-debt-trap-by-cooperating-with-china>

<sup>403</sup> First China-Africa Business Forum Kicks Off in Ethiopia's capital, Xinhua News (Addis Ababa) 3 December 2018. Access Date: 10 January 2019. [http://www.xinhuanet.com/english/2018-12/04/c\\_137648506.htm](http://www.xinhuanet.com/english/2018-12/04/c_137648506.htm)

<sup>404</sup> China, Ethiopia agree to deepen cooperation, Xinhua News (Addis Ababa) 3 January 2019. Access Date: 10 January 2019. [http://www.xinhuanet.com/english/2019-01/04/c\\_137719367.htm](http://www.xinhuanet.com/english/2019-01/04/c_137719367.htm)

<sup>405</sup> China Stresses Support for Egypt during Its Chairmanship of AU, Egypt Today (Beijing) 3 January 2019. Access Date: 10 January 2019. <http://www.egypttoday.com/Article/2/62966/China-stresses-support-for-Egypt-during-its-chairmanship-of-AU>

facilitate the construction of agreed infrastructure projects, it was also ready to expand cooperation with Senegal in emerging fields such as industrial parks in accordance with its needs.<sup>406</sup>

On 21 January 2019, China wrote off USD5.2 billion of Cameroon's debt after top diplomat Yang Jiechi met with Cameroon President Paul Biya in the capital city of Yaounde.<sup>407</sup>

On 30 January 2019, Ethiopian Prime Minister Abiy Ahmed inaugurated the expansion of the terminal at the Bole International Airport and an Ethiopian Skylight Hotel, funded by the Export-Import Bank of China and built by the China Communications Construction Company.<sup>408</sup>

On 10 April 2019, China and South Sudan signed two infrastructure development pacts. The pacts included both a renovation of the Jur River Bridge and the construction of a road between the bridge and Wau city. The pacts also included a two-phased China-aided project for Juba Teaching Hospital's expansion and modernization.<sup>409</sup>

On 25 April 2019, China gave Ethiopia another debt concession by cancelling all interest-free loans China had advanced to Ethiopia at the end of 2018 during the Belt and Road Initiative (BRI) Forum in Beijing. Most of the loans have been used to construct infrastructure and the Djibouti electric railway.<sup>410</sup>

On 7 May 2019, President of the Asian Infrastructure Investment Bank (AIIB) Jin Liqun commented that the AIIB would be open to local currency bond issues in the future, after the success of inaugural US dollar-denominated bond issue. The AIIB raised USD2.6 billion from the sale of five-year bonds, and attracted more than USD4.4 billion orders from 90 bidders in 27 countries. The fund will be used to "drive AIIB's priorities of investing in sustainable infrastructure, developing cross-border connectivity, and promoting environmental, social and governance investing in emerging Asia."<sup>411</sup>

From 27-29 June 2019, China hosted the first China-Africa Economic and Trade Expo in the city of Changsha. More than 10,000 guests from 53 African countries attended the expo, and the event provided opportunities for facilitating bilateral exchanges on the topics of agriculture, trade, investment, and infrastructure construction among many other topics.<sup>412</sup>

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<sup>406</sup> China, Senegal to Strengthen ties, promote China-Africa Cooperation, XinHua News. 7 January 2019. Access Date: 10 January 2019. [http://www.xinhuanet.com/english/2019-01/07/c\\_137726018.htm](http://www.xinhuanet.com/english/2019-01/07/c_137726018.htm)

<sup>407</sup> China just quietly wrote off a chunk of Cameroon's debt. Why the secrecy?, CNN (Beijing) 5 February 2019. Access Date: 26 September 2019. <https://www.cnn.com/2019/02/04/china/cameroon-china-debt-relief-intl/index.html>

Report on Cameroon's debt issue with China cites erroneous figure, Global Times (Beijing) 29 January 2019. Access Date: 26 September 2019. <http://www.globaltimes.cn/content/1137479.shtml>

<sup>408</sup> Ethiopian Airlines' latest Chinese-built infrastructure to power continental ambition, Xinhua News Agency (Addis Ababa) 30 January 2019. Access Date: 10 September 2019. [http://www.xinhuanet.com/english/2019-01/30/c\\_137787562.htm](http://www.xinhuanet.com/english/2019-01/30/c_137787562.htm)

<sup>409</sup> South Sudan, China sign 2 infrastructure development agreements, Xinhua News Agency (Juba) 10 April 2019. Access Date: 20 September 2019. [http://www.xinhuanet.com/english/2019-04/10/c\\_137966100.htm](http://www.xinhuanet.com/english/2019-04/10/c_137966100.htm)

<sup>410</sup> China cancels Ethiopia's interest-free loans, PM in Beijing for forum, Africa News (Addis Ababa) 25 April 2019. Access Date: 24 September 2019. <https://www.africanews.com/2019/04/25/china-forgives-ethiopia-s-interest-free-loans-pm-in-beijing-for-forum/>

<sup>411</sup> China-backed Asian Infrastructure Investment Bank raises US\$2.5 billion from bond sale in London, South China Morning Post (Hong Kong) 10 May 2019. Access Date: 26 September 2019. <https://www.scmp.com/news/china/diplomacy/article/3009779/china-backed-asian-infrastructure-investment-bank-raises-us25>

<sup>412</sup> First China-Africa Economic and Trade Expo opens in central China, Xinhua News Agency (Changsha) 27 June 2019. Access Date: 27 September 2019. [http://www.xinhuanet.com/english/2019-06/27/c\\_138178082.htm](http://www.xinhuanet.com/english/2019-06/27/c_138178082.htm)

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On 18 July 2019, China withheld USD4.9 billion in funding for an infrastructure project for Eastern Africa.<sup>413</sup> Construction of what was intended to be a railway bridge that runs through Kenya to Uganda was halted. President Xi Jinping commented that tighter procedures must be put in place, and stronger guarantees must be provided by developing nations before the funding is disbursed.<sup>414</sup>

On 5 September 2019, China reaffirmed its commitment to funding infrastructure projects in Africa. The Director of the Office of Foreign Affairs Yang Jiechi stated that China is committed to continue its partnership with African countries through the Belt and Road Initiative. Yang commented that China aims to “strengthen coordination and cooperation with Kenya in international and regional affairs,” and that funding will be released once the project’s commercial feasibility is proven.<sup>415</sup>

Although there have been some adjustments and regressive steps with regards to this commitment, China has taken actions to support sustainable infrastructure development in Africa, and specifically took measures to address the infrastructure financing deficit. China has continued to negotiate and facilitate cooperation with its African counterparts to improve infrastructure in Africa.

Thus, China receives a score of +1.

*Analysts: Tony (Tianyi) Chen and Nicole Shi*

### **South Africa: 0**

South Africa has partially complied with its commitment to support sustainable infrastructure development in Africa, including addressing the infrastructure financing deficit.

On 21 September 2018, President Cyril Ramaphosa announced the establishment of the South Africa Infrastructure Fund as part of government’s stimulus package aimed at spurring economic growth. During his announcement, President Ramaphosa reaffirmed the importance of infrastructure as an important stimulator of job creation, investment attraction, and overall sustainable economic growth. The fund will receive ZAR400 billion from the South African government, which will be managed by the Infrastructure Execution Team to ensure proper management of funds. The Infrastructure Fund will support such projects as improving provincial and national roads, water infrastructure, schools, and public transportation.<sup>416</sup>

On 28 Nov 2018, the South African National Energy Development Institute (SANEDI) launched the first anaerobic biogas digester at the Earth Centre in Johannesburg with aim of providing sustainable biogas for household and community energy needs. The reactor will not only improve overall quality of life but will also help the environment by minimizing waste.<sup>417</sup> 19 more reactors are in the pipeline pending installment in variety of locations throughout South Africa. Although it is not

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<sup>413</sup>China’s Built a Railroad to Nowhere in Kenya, Bloomberg (New York City) 18 July 2019. Access Date: 30 September 2019. <https://www.bloomberg.com/news/features/2019-07-19/china-s-belt-and-road-leaves-kenya-with-a-railroad-to-nowhere>

<sup>414</sup>Kenya’s unfinished railway & the danger of over-reliance on China, The East Africa Monitor. 29 July 2019. Access Date: 30 September 2019. <https://eastafricamonitor.com/kenyas-unfinished-railway-the-danger-of-over-reliance-on-china/>

<sup>415</sup>China vows to keep funding African infrastructure projects despite debt-trap claims, South China Morning Post (Hong Kong) 5 September 2019. Access Date: 30 September 2019.

<sup>416</sup>Infrastructure Fund set to boost sluggish economy, South African Government News Agency (Cape Town), 21 September 2018. Access date: 11 January 2018. <https://www.sanews.gov.za/south-africa/infrastructure-fund-set-boost-sluggish-economy>

<sup>417</sup>Official opening of the Greening of the Earth Centre. 28 Nov, 2018. Assess date: 12 Jan, 2018. [https://www.sanedi.org.za/img/Events/Official%20opening%20of%20horse%20manure%20bio%20digester%20-%20FINAL.pdf?fbclid=IwAR2EK9w0RJ\\_K09NPhIRwrvh1ojXe460NQbu9zVG0IOXSskKgnfxOMGQ3Q9I](https://www.sanedi.org.za/img/Events/Official%20opening%20of%20horse%20manure%20bio%20digester%20-%20FINAL.pdf?fbclid=IwAR2EK9w0RJ_K09NPhIRwrvh1ojXe460NQbu9zVG0IOXSskKgnfxOMGQ3Q9I)

mentioned whether the reactors will be utilized in wider Africa, SANEDI has aims to provide a sustainable living for growth and prosperity in Africa.<sup>418</sup>

On 30 May 2019, the African Continental Free Trade Agreement (AfCFTA) was implemented and signed by South Africa. The agreement hopes to improve intra-African trade, which was previously halted due to high tariffs and colonial infrastructure. The trade agreement hopes to harmonize trade policies and rules between African countries. AfCFTA will aim to foster sustainable development in Africa and secure sustainable economic growth.<sup>419</sup>

On 29 July 2019, South African contributed financial aid towards the development of renewable energy in Kenya, making it the largest wind farm in Africa. The Lake Turkana Wind Project can generate up to 310 MW of power from 365 turbines.<sup>420</sup>

South Africa has partially complied with its commitment to support sustainable infrastructure development in Africa, but did not specifically address the infrastructure financing deficit.

Thus, South Africa receives a score of 0.

*Analysts: Alyssa Atef and Syed Haider*

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<sup>418</sup> About SANEDI. 28 Nov, 2018. Assess date: 12 Jan, 2018. <https://www.sanedi.org.za/About%20us.html>

<sup>419</sup> African Continental Free Trade Area: A New Horizon for Trade in Africa, Council on Foreign Relations (Washington D.C.) 10 June 2019. Access Date: 27 September 2019. <https://www.cfr.org/blog/african-continental-free-trade-area-new-horizon-trade-africa>

<sup>420</sup> Africa's largest wind farm launches in Kenya, African Law and Business (London) 29 July 2019. Access Date 27 September 2019. <https://www.africanlawbusiness.com/news/9900-africa-s-largest-wind-farm-launches-in-kenya>

## 5. Health: Vaccines

2018-73: “We commit to strengthening the coordination and cooperation on vaccine research and development within BRICS countries.”

*BRICS Johannesburg Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Brazil			+1
Russia			+1
India			+1
China			+1
South Africa			+1
Average		+1.00	

### Background

In May 2012 the member states of the World Health Assembly adopted the Global Vaccine Action Plan, in response to the fact that limited access to an affordable and timely supply of vaccines is a major barrier to sustainable immunization programmes. The World Health Organization (WHO) has been conducting a range of activities to increase the availability of an affordable and timely supply of vaccines, including activities to: promote vaccine research and development in developing countries; facilitate technology transfer; revise the prequalification process; streamline in-country registration procedures; strengthen procurement processes; promote price transparency; and provide information and technical support to identify the determinants of vaccine shortages. Its third workstream, on global coordination and expansion of capacity, includes activities to increase the involvement of low- and middle income countries in vaccine research and development. The development processes for vaccines that specifically target diseases prevalent in developing countries, such as malaria, epidemic meningococcal A meningitis and Ebola virus disease, have been taken as an opportunity to strengthen research and development capacities in low and middle-income countries.<sup>421</sup>

In its first ever congregation, Health Ministers of the BRICS members establish a resolve for bilateralism and its importance to public health. In its capacity as a group of leaders in powerful emerging economies, it situates itself in the global context of key players that effectuate meaningful change in the ubiquitous public health scenario. The Beijing Declaration urged the United Nations General Assembly to harmonize issues of public health in their agendas, bolster international cooperation on global health and edify the WHO’s role as a mediator in this endeavour.<sup>422</sup> In the Delhi and Cape Town (2013) communiqués, members delineated the issue of researcher collaborations and clinical trials for vaccines associated with tuberculosis in particular as an effort to tackle multi-drug resistant tuberculosis.<sup>423,424</sup>

In the 2015 Ufa Summit, BRICS leaders addressed concerns over the Ebola Virus for the first time. Specifically focusing on, “Doing what is necessary individually and collectively to support these

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<sup>421</sup> Global Vaccine Action Plan 2011-2029, WHO. Access Date: 18 October 2018.

[https://www.who.int/immunization/global\\_vaccine\\_action\\_plan/GVAP\\_doc\\_2011\\_2020/en/](https://www.who.int/immunization/global_vaccine_action_plan/GVAP_doc_2011_2020/en/)

<sup>422</sup> BRICS Health Ministers’ Meeting, BRICS Information Center 11 July 2011. Access Date: 18 October 2018.

<http://www.brics.utoronto.ca/docs/110711-health.html>

<sup>423</sup> BRICS Health Ministers’ Communiqué, BRICS Information Center 11 January 2013. Date accessed: 18 October 2018.

<http://www.brics.utoronto.ca/docs/130111-health.html>

<sup>424</sup> Third Health Ministers Meeting, BRICS Information Center 7 November 2013. Date Accessed: 18 October 2018.

<http://www.brics.utoronto.ca/docs/131107-health.html>

efforts [international response to Ebola virus disease].”<sup>425</sup> There was also focus on addressing issues on a national, regional, and global level, in terms of addressing emergencies, systemic issues, and gaps in preparedness in the context of the Ebola Virus. In the 2016 Goa Summit, BRICS leaders made their first commitment to Antimicrobial Resistance, wishing to focus on welcoming a meeting to discuss the topic, and identifying possibilities for cooperation and regulation.<sup>426</sup> In the 2017 Xiamen Summit, BRICS leaders committed to improving surveillance capacity and medical services to combat diseases such as HIV/AIDS, Ebola, tuberculosis and malaria.<sup>427</sup> Between 2011 and 2017 BRICS countries discussed such issues as HIV/AIDS, Ebola, and sexual and reproductive health, as well as antimicrobial resistance.

### **Commitment Features**

*Strengthening:* to make or become stronger.

*Coordination:* the organization of BRICS members to enable them work together more effectively.

*Cooperation:* the action or process of working together to the same end.

*Vaccine Research and Development:* The WHO’s Initiative for Vaccine Research (IVR) is the international body that focuses on research and development (R&D) initiatives in the field of vaccines. The main activities of this group provide a starting point to understanding the content of R&D activities in the field of vaccines. These activities include:

- facilitation of early stage R&D in disease areas with no available vaccines or sub-optimal vaccines,
- research to optimize public health impact where existing vaccines are underutilized,
- research to aid introduction decision-making and post-licensure assessments of risk/benefit,
- research to improve monitoring and evaluation of vaccines in use in immunization programmes.<sup>428</sup>

As stated by the WHO, the IVR activities align with the sixth Strategic Objective of the Global Vaccine Action Plan (GVAP). This strategic objective is titled “Country, regional and global research and development innovations maximize the benefits of immunization. The IVR also aligns with the fifth goal of the Decade of Vaccines, namely to “develop and introduce new and improved vaccines and technologies.”<sup>429</sup>

The GVAP stated that “innovative research and development efforts will lead to: (1) identification of mechanisms of protection and pathogenesis; (2) well-defined and novel antigenic targets for development of new vaccines; (3) development of bio-processing, formulation, manufacturing and delivery technologies for new and improved vaccines; and (4) development of disease-burden and cost-effectiveness data for in-country decision-making.” The GVAP also provides a summary of recommended actions for strategic objective 6, which will be used as a reference for BRICS actions that contribute to compliance:

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<sup>425</sup> 2015 Ufa Declaration, BRICS Information Center 9 July 2015. Access Date: 18 October 2018.

[http://brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://brics.utoronto.ca/docs/150709-ufa-declaration_en.html)

<sup>426</sup> 2016 Goa Declaration, BRICS Information Center 16 October 2016. Access Date: 18 October 2018.

<http://brics.utoronto.ca/docs/161016-goa.html>

<sup>427</sup> 2017 Xiamen Declaration, BRICS Information Center 4 September 2017. Access Date: 18 October 2018.

<http://brics.utoronto.ca/docs/170904-xiamen.html>

<sup>428</sup> Immunization, Vaccines and Biologicals: Research and Development, WHO

<http://www.who.int/immunization/research/en/>

<sup>429</sup> Immunization, Vaccines and Biologicals: Research and Development, WHO

<http://www.who.int/immunization/research/en/>

- Expand capabilities and increase engagement with end users
  - Engage with end users to prioritize vaccines and innovations according to perceived demand and added value
  - Establish platforms for exchange of information on immunization research and consensus building.
  - Build more capacity and human resources in low- and middle-income countries to conduct research and development and operational research.
  - Increase networking among research centres for efficient building of partnerships among the institutions of high-, middle- and low-income countries.
  - Promote collaboration between traditional research disciplines and scientists from disciplines not previously engaged in vaccine research.
- Improve programme efficiencies and increase coverage and impact
  - Research the use of more effective information through modern communication technologies
  - Conduct representative epidemiological, immunological, social and operational studies and investigations of vaccine impact to guide health economics analysis.
  - Perform operational research on improved delivery approaches for life-course immunization, and vaccination in humanitarian emergencies, so-called fragile States and countries in and emerging from conflict.
  - Perform research on interference effects and optimum delivery schedules.
  - Perform research to develop improved diagnostic tools for conducting surveillance in low-income countries.
- Accelerate development, licensing and uptake of vaccines.
  - Promote greater access to technology, expertise and intellectual property for adjuvants and their formulation into vaccines.
  - Develop non-syringe delivery mechanisms and vaccine packaging that best suit the needs and constraints of national programmes.
  - Develop thermostable rotavirus and measles vaccines.
  - Develop new bioprocessing and manufacturing technologies. Develop a global, regulatory science research agenda.
  - Adopt best practices in portfolio and partnership management for research and development.
- Enable the development of new vaccines.
  - Research on the fundamentals of innate and adaptive immune responses, particularly in humans.
  - Research on immunological and molecular characteristics of microbes.

- Improve understanding of the extent and causes of variation in pathogens and human population responses to vaccines.<sup>430</sup>

The recommended actions can be separated into the two categories of research-related activities and development-related activities. This categorization will facilitate compliance monitoring. Thus, for the purpose of this commitment and in the context of international efforts in vaccination R&D, the following activities count towards compliance for the research portion of the commitment:

- Engage with end users to prioritize vaccines and innovations according to perceived demand and added value
- Establish platforms for exchange of information on immunization research and consensus building.
- Build more capacity and human resources in low- and middle-income countries to conduct research and development and operational research.
- Increase networking among research centres for efficient building of partnerships among the institutions of high-, middle- and low-income countries.
- Promote collaboration between traditional research disciplines and scientists from disciplines not previously engaged in vaccine research.
- Research the use of more effective information through modern communication technologies
- Conduct representative epidemiological, immunological, social and operational studies and investigations of vaccine impact to guide health economics analysis.
- Perform operational research on improved delivery approaches for life-course immunization, and vaccination in humanitarian emergencies, so-called fragile States and countries in and emerging from conflict.
- Perform research on interference effects and optimum delivery schedules.
- Perform research to develop improved diagnostic tools for conducting surveillance in low-income countries
- Research on the fundamentals of innate and adaptive immune responses, particularly in humans.
- Research on immunological and molecular characteristics of microbes.
- Improve understanding of the extent and causes of variation in pathogens and human population responses to vaccines
- Develop a global, regulatory science research agenda.

Likewise, the following activities count towards compliance for the development portion of the commitment:

- Promote greater access to technology, expertise and intellectual property for adjuvants and their formulation into vaccines.

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<sup>430</sup> GVAP, WHO. [http://www.who.int/immunization/global\\_vaccine\\_action\\_plan/GVAP\\_doc\\_2011\\_2020/en/](http://www.who.int/immunization/global_vaccine_action_plan/GVAP_doc_2011_2020/en/)

- Develop non-syringe delivery mechanisms and vaccine packaging that best suit the needs and constraints of national programmes.
- Develop thermostable rotavirus and measles vaccines.
- Develop new bioprocessing and manufacturing technologies.

### **Scoring Guidelines**

-1	The BRICS member has not strengthened coordination and cooperation in any of the above areas.
0	The BRICS member has strengthened coordination and cooperation through taking action in at least one of the suggested activities under vaccine research OR in at least one of the suggested activities under vaccine development.
+1	The BRICS member has strengthened coordination and cooperation through taking action in at least one of the suggested activities under vaccine research AND vaccine development.

### **Brazil: +1**

Brazil has fully complied with its commitment to strengthen coordination and cooperation in the area of vaccine research and development.

On 20 September 2018, Brazilian Health Minister Fiocruz signed a Memorandum of Understanding for the development of viral vaccines, targeting diseases such as dengue fever, Zika and yellow fever, Emergex Vaccines Holding Limited, an England-based company. Fiocruz is a highly-regarded science, technology, and health institution in Latin America, and is attached to the Brazilian Ministry of Health.<sup>431</sup>

On 26 September 2018, Brazil signed an agreement to become part of the Gavi, the Vaccine Alliance, a non profit, non-governmental organization that provides vaccines around the world. Under the agreement, Brazil will donate USD 1 million on an annual basis to Gavi to support accessibility to vaccines in low-income countries. Upon signing the agreement, Health Minister Gilberto Occhi stated, “Today we are part of this organization that is critical for access to vaccines and are partners of UNICEF and WHO [World Health Organization] in this task. It is an action that places Brazil at the center of international immunization policies.”<sup>432</sup>

On 4 October 2018, Health Minister Gabriel Ocho and other G20 Health Ministers signed a joint declaration for the rational use and disposal of antimicrobials in human medicine at the G20 summit in Argentina.<sup>433</sup>

On 11 October 2018, the Government of Brazil approved a grant of USD 20 million to the International Finance Facility for Immunisation (IFFIm). This grant will fund immunisation programs through Gavi, which is an international organisation that aims to increase access to

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<sup>431</sup>Emergex Enters into MoU with Brazil's Fiocruz to Develop Novel Vaccines Against Viral Diseases, BusinessWire, 20 September 2018. Access date: 12 January 2019.

<https://www.businesswire.com/news/home/20180920005285/en/Emergex-Enters-MoU-Brazil%20%99s-Fiocruz-Develop-Vaccines>

<sup>432</sup> Brazil closes international partnership to have access to vaccines, Brazil Ministry of Health (Federal District, Brazil), 26 September 2018. Access date: 10 January 2019. <http://portalsms.saude.gov.br/noticias/agencia-saude/44440-brasil-fecha-parceria-internacional-para-ter-acesso-a-vacinas>

<sup>433</sup> G20 Health Ministers advocate rational use of antimicrobials, Brazil Ministry of Health (Brasilia), 4 October 2018. Access date: 10 January 2019. <http://portalsms.saude.gov.br/noticias/agencia-saude/44465-ministros-da-saude-do-g20-defendem-uso-racional-de-antimicrobianos>

immunisation. Funding for Gavi is acquired through IFFIm, which is currently supported by 10 countries. Brazil is the second BRICs member to support IFFIm.<sup>434</sup>

On 4 December 2018, Instituto Butantan, a public research scientific institution affiliated with the São Paulo State Secretariat of Health, signed a research collaboration deal with Merck and Company to develop vaccines against dengue virus disease.<sup>435</sup>

On 2 January 2019, Luiz Henrique Mandetta assumed office to become the new Health Minister of Brazil. Minister Mandetta announced his priorities for public health management, which included strengthening national vaccination rates in Brazil.<sup>436</sup>

On 16 September 2019, Brazil's Health Minister Luiz Henrique Mandetta launched a vaccination campaign with Paraguay to increase coverage against measles, yellow fever and other diseases. This initiative is part of a broader set of measures, including immunization, border laboratories, training, and a strategic border information center, to strengthen surveillance efforts.<sup>437</sup>

Brazil has strengthened coordination and cooperation in the area of vaccine research and development.

Thus, Brazil has received a score of +1.

*Analysts: Tracy Luong, Amal Ismail-Ladak and Mishail Adeel*

### **Russia: +1**

Russia has fully complied with its commitment to strengthen coordination and cooperation in the area of vaccine research and development.

On 9 September 2018, Russia financed by the project on reducing Antimicrobial resistance in Armenia, Belarus, Kazakhstan, Kyrgyz Republic, Tajikstan, with the Food and Agriculture Organization, in order to reduce antimicrobial resistance (AMR) in Eastern Europe and Central Asia. AMR poses a threat towards the effectiveness of vaccinations.<sup>438</sup>

On 29 November 2018, Russia's Healthcare Minister Veronika Skvortsova announced the government's support for research relating to a Russian HIV vaccine.<sup>439</sup>

On 13 December 2018 Russia's health minister announced that the Russian health ministry, and Rusal, a Russian aluminum company, finished a vaccination campaign in Guinea in order to tackle Ebola, through the Russia-made GamEvakCombi vaccine.<sup>440</sup>

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<sup>434</sup> Government of Brazil signs grant agreement for US\$ 20 million in support to IFFIm, International Finance Facility for Immunisation, 11 October 2018. Access date: 12 January 2019. <https://www.iffim.org/library/news/press-releases/2018/government-of-brazil-signs-grant-agreement-for-usd-20-million-in-support-to-iffim/>

<sup>435</sup> Merck and Brazil's Instituto Butantan Team to Develop at Least Two Dengue Vaccines, BioSpace, 13 December 2018. Access date: 9 January 2019. <https://www.biospace.com/article/merck-and-brazil-s-instituto-butantan-team-to-develop-at-least-2-different-dengue-vaccines/>

<sup>436</sup> Luiz Henrique Mandetta assumes Ministry of Health, Brazil Ministry of Health (Federal District, Brazil), 2 January 2019. Access date: 12 January 2019. <http://portalsms.saude.gov.br/noticias/agencia-saude/45054-luiz-henrique-mandetta-assume-ministerio-da-saude>

<sup>437</sup> Brazil and Paraguay launch campaign to intensify vaccination in border areas, ReliefWeb (New York City) 16 September 2019. Access Date: 1 October 2019. <https://reliefweb.int/report/brazil/brazil-and-paraguay-launch-campaign-intensify-vaccination-border-areas>

<sup>438</sup> Joint efforts for reducing the advance of antimicrobial resistance (AMR) in Eastern Europe and Central Asia countries, FAO (Moscow) 19 September 2018. <http://www.fao.org/europe/events/detail-events/en/c/1152041/>

<sup>439</sup> Health Ministry supports genetic research to combat HIV/AIDS, TASS Russian News Agency (Moscow) 29 November 2018. Access Date: 4 October 2019. <https://tass.com/society/1033482>

On 9 January 2019, the Ministry of Health announced its progress on tuberculosis (TB) prevention and care, in collaboration with the World Health Organization (WHO). The Ministry of Health and WHO have been working together for two decades to end TB in Russia.<sup>441</sup> The result has been an average annual decline of 16 per cent in mortality and 6 per cent in incidence. The government and the WHO will continue to work together to achieve their objective and the implementation of the Tuberculosis Action Plan for the WHO European Region 2016-2020.<sup>442</sup>

On 25 January 2019, the Ministry of Health of Russia presented a plan of phased transition on new types of anti-influenza vaccines in Russian until 2021. New vaccines were designed to prevent spread of A(H1N1)09, A(H3N2) and B-types strains.<sup>443</sup>

Russia has strengthened coordination and cooperation in the area of vaccine research and development through partnerships with the WHO. It has also supported the research and development of Russian vaccinations.

Thus, Russia receives a score of +1.

*Analyst: Sonja Dobson*

#### **India: +1**

India has fully complied with its commitment to strengthen coordination and cooperation in the area of vaccine research and development.

On 30 August 2018, India, alongside the European Union, announced their joint initiative to engage in research and innovation to develop a next-generation influenza vaccine. Both governments have committed EUR 15 million each with the goal of improving the duration of immunity, efficacy, safety and reactivity against influenza strains.<sup>444</sup> Their joint call is open to the world; however, it requires a minimum of three applicants from Europe and India each.<sup>445</sup>

On 27 September 2018, the thermostable rotavirus vaccine, ROTASIIL, which was manufactured by the Serum Institute of India, achieved WHO prequalification. This vaccine prevents rotavirus-induced diarrhea in infants and is the first rotavirus vaccine that does not require constant refrigeration. By receiving prequalification from the World Health Organization, ROTASIIL will be

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<sup>440</sup> Russia's health ministry, Rusal Co finish anti-Ebola vaccination campaign in Guinea, Tass (Moscow) 13 December 2018. <http://tass.com/society/1035836>

<sup>441</sup> Close collaboration yields progress on TB prevention and care in the Russian Federation, World Health Organization (Moscow) 9 January 2019. Access Date: 4 October 2019. <http://www.euro.who.int/en/health-topics/communicable-diseases/tuberculosis/news/news/2019/01/close-collaboration-yields-progress-on-tb-prevention-and-care-in-the-russian-federation>

<sup>442</sup> Close collaboration yields progress on TB prevention and care in the Russian Federation, World Health Organization (Moscow) 9 January 2019. Access Date: 4 October 2019. <http://www.euro.who.int/en/health-topics/communicable-diseases/tuberculosis/news/news/2019/01/close-collaboration-yields-progress-on-tb-prevention-and-care-in-the-russian-federation>

<sup>443</sup> Ministry of Health and Federal Service for Supervision of Consumer Rights approve plan of transition on new anti-flu vaccines 25 January 2019. Access date: 6 March 2019 <https://tass.ru/obschestvo/6039616>

<sup>444</sup> EU, India launch Rs 240cr programme to develop next-gen influenza vaccine, The Times of India (New Delhi) 31 August 2018. Access Date: 12 January 2019. <https://timesofindia.indiatimes.com/india/eu-india-launch-rs-240cr-programme-to-develop-next-gen-influenza-vaccine/articleshow/65626680.cms>

<sup>445</sup> EU, India engage to develop NextGen Influenza Vaccine, BioSpectrum, 30 August 2018. Access Date: 12 January 2019. <https://www.biospectrumindia.com/news/22/11576/eu-india-engage-to-develop-nextgen-influenza-vaccine.html>

available for procurement by Gavi, the Vaccine Alliance, as well as United Nations agencies for use in low- and middle-income countries.<sup>446</sup>

On 11 December 2018, Hilleman Laboratories, a Delhi-based not-for-profit vaccine research organization that is a joint venture of the American pharmaceutical corporation Merck and the British charitable foundation Wellcome Trust, is about to begin human trials of the microarray patches (MAPs). MAPs consist of array needles that remain in contact with the skin for some time, providing a less painful method of vaccine administration compared to tradition needles. MAPs can be administered by healthcare professionals or volunteers for a low cost as they require little training to administer. It may also be possible to self-administer vaccines with MAPs, pending research.<sup>447</sup>

On 25 February 2019, Union Minister Ashwini Kumar Choubey announced the launch of the National Virus Hepatitis Control Programme aimed at combating viral hepatitis, in line with United Nation Sustainable Development Goal 3.3. The program will focus on eliminating Hepatitis C across the country by 2030 and providing pregnant women, with free screenings and administering Hepatitis B vaccines. The program will also encourage the use of Re-use Prevention syringes across the country.<sup>448</sup>

On 26 February 2019, Minister of Science and Technology, Harsh Vardhan, included including affordable vaccines for endemic diseases in his announcement new missions. This mission will focus on strengthening vaccine development capacities nationally through collaborations with academics, industry and other stakeholders. Inter-ministerial mechanisms will also be created to develop and test vaccines to respond to disease threats; to prepare public health departments to respond to disease threats; and engage with the global Coalition for Epidemic Preparedness Innovations initiative.<sup>449</sup>

On 23 April 2019, the Indian Council of Medical Research (ICMR) and National Institute of Cholera and Enteric Diseases handed over the first ever indigenous vaccine providing immunity against Shigella to Welcome Trust Hilleman Laboratories for commercialisation after clinical trials, potentially fulfilling one of the World Health Organization's priorities.<sup>450</sup>

On 15 July 2019, the ICMR commenced a Phase III clinical vaccine trial for the prevention of tuberculosis among adults at the National Institute of Tuberculosis and Respiratory Disease.<sup>451</sup>

On 9 August 2019, Union Health Minister Dr. Harsh Vardhan announced the expansion of rotavirus vaccine distribution to all 36 Indian states and union territories under Universal Immunisation

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<sup>446</sup> Global rotavirus vaccine options expand with World Health Organization prequalification of new vaccine from India, PR Newswire (Seattle) 27 September 2018. Access Date: 12 January 2019. <https://www.prnewswire.com/news-releases/global-rotavirus-vaccine-options-expand-with-world-health-organization-prequalification-of-new-vaccine-from-india-300720738.html>

<sup>447</sup> Cheap, painless vaccine patches to be available in India in a couple of years, The Print (New Delhi) 11 December 2018. Access date: 12 January 2019. <https://theprint.in/governance/cheap-painless-vaccine-patches-to-be-available-in-india-in-a-couple-of-years/161516/>

<sup>448</sup> National programme for elimination viral hepatitis launched, Healthworld.com (New Delhi) 25 February 2019. Access Date: 16 September 2019. <https://health.economictimes.indiatimes.com/news/policy/national-programme-for-elimination-viral-hepatitis-launched/68145097>

<sup>449</sup> New biotech missions to focus on drug resistance, fortified crops, BusinessLine (New Delhi) 26 February 2019. Access Date: 16 September 2019. <https://www.thehindubusinessline.com/news/science/new-biotech-missions-to-focus-on-drug-resistance-fortified-crops/article26375907.ece>

<sup>450</sup> India's First Vaccine to Treat Blood Diarrhoea, Deccan Herald (New Delhi) 23 April 2019. Access Date: 12 October 2019. <https://www.deccanherald.com/national/north-and-central/indias-first-vaccine-to-treat-bloody-diarrhoea-730299.html>

<sup>451</sup> ICMR Launches Third Phase Trial for Adult Anti-TB Vaccine, DownToEarth (New Delhi) 17 July 2019. Access Date: 12 October 2019. [www.downtoearth.org.in/news/health/icmr-launches-third-phase-trial-for-adult-anti-tb-vaccine-65644](http://www.downtoearth.org.in/news/health/icmr-launches-third-phase-trial-for-adult-anti-tb-vaccine-65644)

Program (UIP) by September 2019 in a bid to eliminate rotavirus-related morbidity and mortality in India by 2022.<sup>452</sup>

On 21 September 2019, the ICMR Director Balram Bhargava announced the selective administration of a new locally-produced Dengue vaccine in areas with high prevalence of the disease. The distribution for this vaccine will be modelled after the Sri Lankan strategies which has resulted in fewer mortalities and the ICMR is in the process of sealing the collaboration with Sri Lanka in order to learn from them.<sup>453</sup>

India has strengthened coordination and cooperation through taking action in the activities suggested by the Global Research Action plan under vaccine research and development.

Thus, India receives a score of +1.

*Analysts: Tashi Rastogi, Drishti Thakkar and Areej Malik*

#### **China: +1**

China has fully complied with its commitment to strengthen coordination and cooperation through taking action in at least one of the suggested activities under vaccine research and vaccine development.

On 31 July 2018, a wave of surprise quality inspections was launched on vaccine manufacturers. Changchun Changsheng Biotechnology was found to be using expired active ingredients and running mice tests at the wrong stages of the process. The scandal led to the arrest of senior executives and mid-level employees.<sup>454</sup>

On 8 August 2018, China's National Health and Family Planning Commission issued a notification that a talent pool candidate for global health would be established in China, encouraging nationwide clinicians, public health workers, health managers, and experts from medical universities to participate.<sup>455</sup>

On 4 September 2018, China established the Boehringer Ingelheim-Tsinghua University Joint Research Center as a platform for Immuno-Infection to harness the mechanisms of immune modulation to combat infectious diseases.<sup>456</sup>

By 5 September 2018, China Center for Disease Control (CCDC) has been in close communication and collaboration with the World Health Organization (WHO) and other WHO collaborating

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<sup>452</sup> Every Child to Get Rotavirus Vaccine by September, The Hindu (New Delhi) 9 August 2019. Access Date: 12 October 2019. [www.thehindu.com/sci-tech/health/every-child-to-get-rotavirus-vaccine-by-september/article28969337.ece](http://www.thehindu.com/sci-tech/health/every-child-to-get-rotavirus-vaccine-by-september/article28969337.ece)

<sup>453</sup> Domestic Dengue Vaccine Could Be Available in 2020, Health Issues India (New Delhi) 21 September 2019. Access Date: 12 October 2019. [www.healthissuesindia.com/2019/09/21/domestic-dengue-vaccine-could-be-available-in-2020/](http://www.healthissuesindia.com/2019/09/21/domestic-dengue-vaccine-could-be-available-in-2020/)

<sup>454</sup> Asia Regulatory Roundup: China to Inspect all Vaccine Production Plants After Quality Scandal, Regulatory Affairs Professional Society, 31 July 2018. Access date: 9 January 2019. <https://www.raps.org/news-and-articles/news-articles/2018/7/asia-regulatory-roundup-china-to-inspect-all-vacc>

<sup>455</sup> To establish a talent pool for global health in China: from political will to action, 14 August 2018. Access date: 9 January 2019. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6095023/>

<sup>456</sup> Boehringer Ingelheim and Tsinghua University Team up to Develop Novel Treatment Approaches that Rally the Immune System Against Infectious Diseases, Boehringer Ingelheim. Access date: 9 January, 2019. <https://www.boehringer-ingelheim.com/press-release/new-partnership-develop-novel-treatment-approaches-against-infectious-diseases>

centres on the outbreak situation, virus characterization, and risk assessment and mitigation of the avian influenza A(H7N9).<sup>457</sup>

On 7 September 2018, the Chinese Association of Preventive Medicine, CCDC, Chinese Academy of Medical Sciences, and the Asia-Pacific Alliance for the Control of Influenza in collaboration with the European Scientific Working group on Influenza, the National Adult and Influenza Immunization Summit, and the International Society for Influenza and other Respiratory Virus Diseases hosted the 2018 World Influenza Conference.<sup>458</sup>

On 10 September 2018, China held the Cold Spring Harbor Asia conference on Frontiers of Immunology in Health and Disease, organized by individuals from Universities from China, the United States, Australia and Japan, where formal sessions will be dedicated to topics such as Innate immunity and cytokines, development and maintenance of the immune system and vaccines, and Social events throughout the conference provide ample opportunity for informal interactions.<sup>459</sup>

On 26 September 2018 at a State Council executive meeting Premier Li Keqiang reported the expectations for prevention and control of African swine fever and strengthening measures were proposed. The Premier said that efforts should be made to strengthen epidemic investigation, tracking and vaccine research. He proposed the strengthening of supervision on live pig farms as well as during the process of slaughter and quarantine, of transport vehicles. Additionally, it was proposed that central finance should give special support funds.<sup>460</sup>

On 1 November 2018, China said that they will accelerate the building of an online drug tracing system for vaccine, anesthetic drugs and psychoactive drugs to ensure the safety of pharmaceuticals. The tracing system will keep an accurate record of the drugs and trace their production, distribution and usage, to prevent the use of illegal drugs and ensure unsafe medicines can be recalled as soon as possible.<sup>461</sup>

On 11 November 2018, a draft of a new vaccine law was released by the State Administration of Market Regulation. The draft calls for strict supervision and management in order to pre-empt any substandard practices or wrongdoings in the production process of vaccines. Additionally, the draft demands that the research, production and distribution of vaccines as well as their use and the observation of reactions to inoculations will be supervised and managed.<sup>462</sup>

On 26 November 2018 China announced that about RMB 157 million has been allocated to AIDS control projects of non-governmental organizations (NGOs). The money has gone to more than 1,700 projects operated by nearly 1000 NGOs across China according to an official with the China AIDS Fund for Non-Governmental Organizations management board attached to the Chinese Preventive Medicine Association.<sup>463</sup>

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<sup>457</sup> Human infection with avian influenza A(H7N9) virus – China: Update, World Health Organization, 5 September 2018. Access date: 9 January 2019. <https://www.who.int/csr/don/05-september-2018-ah7n9-china/en/>

<sup>458</sup> 2018 World Influenza Conference, Asia-Pacific Alliance for the Control of Influenza. Access date: 13 January, 2019. <http://www.apaci.asia/activities/apaci-meetings/world-influenza-conference-2018>

<sup>459</sup> Frontiers of Immunology in Health & Disease, Cold Spring Harbour Laboratory. Access date: 13 January, 2019. <https://www.csh-asia.org/2018meetings/IMMUNE.html>

<sup>460</sup> Quick view: State Council executive meeting on Sept 26. September 27, 2018. [http://english.gov.cn/policies/infographics/2018/09/27/content\\_281476320604244.htm](http://english.gov.cn/policies/infographics/2018/09/27/content_281476320604244.htm)

<sup>461</sup> Online drug tracing system in the pipeline. China Daily. November 2, 2018. <http://www.chinadaily.com.cn/a/201811/02/WS5bdf39ea310eff3032863d8.html>

<sup>462</sup> Draft law heralds strict vaccine management: China Daily editorial. China Daily. November 12, 2018. <http://usa.chinadaily.com.cn/a/201811/12/WS5be9790fa310eff30328830a.html>

<sup>463</sup> 157m yuan spent to sponsor nongovernmental AIDS control projects. November 26, 2018. [http://english.gov.cn/state\\_council/ministries/2018/11/26/content\\_281476407052732.htm](http://english.gov.cn/state_council/ministries/2018/11/26/content_281476407052732.htm)

On 6 December 2018, in order to practice and accelerate the process of implementing China's vaccine regulation law and further improve long-term mechanism of the vaccine regulation, China Food and Drug Administration organized China-European vaccine regulation communication seminar.<sup>464</sup> The seminar listened to the experiences from two international experts that work in vaccine manufacture area and understood the quality management of vaccine production in the European Union.<sup>465</sup>

On 23 December 2018, the General Office of Fujian Provincial Government has issued an opinion on accelerating the development of "Internet + medical health" implementation, and introduced 20 specific measures to improve the related service system.<sup>466</sup>

On 24 December 2018, it is reported that due to the scandals of faulty shots, fake data, and fraudulent labelling, China's lawmakers were drafting the first draft of law that aimed to pay more attention on the control of the vaccine industry.<sup>467</sup> While many Chinese have lost confidence in the system, the draft law, as the latest effort that Beijing makes can restore the public confidence.<sup>468</sup> According to the released draft for public consultation in November, it outlines related government and departments' responsibilities, calls to establish shared information system, full disclosure of information about vaccine safety.<sup>469</sup> Specifically, it points out that "patients and families would be able to sue vaccine makers and distributors for punitive damages if they knowingly sold faulty vaccines that caused death or serious illness."<sup>470</sup>

On 20 April 2019, the National People's Congress announced that the draft vaccine administration law has been revised during deliberations, with new increased proposed fines of up to RMB30 million for the production and sale of fraudulent or substandard vaccines.<sup>471</sup> The second draft of the law also added provisions encouraging the development and research of vaccines.<sup>472</sup>

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<sup>464</sup> CFDA held seminar on vaccine regulation between China and Europe (国家药品监督管理局举办中欧疫苗监管交流讲座), Government of China, 8 December 2018. Access date: 12 January 2018. [http://www.gov.cn/xinwen/2018-12/08/content\\_5347028.htm](http://www.gov.cn/xinwen/2018-12/08/content_5347028.htm)

<sup>465</sup> CFDA held seminar on vaccine regulation between China and Europe (国家药品监督管理局举办中欧疫苗监管交流讲座), Government of China, 8 December 2018. Access date: 12 January 2018. [http://www.gov.cn/xinwen/2018-12/08/content\\_5347028.htm](http://www.gov.cn/xinwen/2018-12/08/content_5347028.htm)

<sup>466</sup> Fujian has accelerated efforts to integrate medical health care and Internet (福建加快推动医疗健康与互联网深度融合), Government of China, 23 December 2018. Access date: 12 January 2018. [http://www.gov.cn/xinwen/2018-12/23/content\\_5351330.htm](http://www.gov.cn/xinwen/2018-12/23/content_5351330.htm)

<sup>467</sup> China's lawmakers consider 'strictest' rule on vaccine industry after scandals, South China Morning Post, 24 December 2018. Access date: 12 January 2018. <https://www.scmp.com/news/china/politics/article/2179357/chinas-lawmakers-consider-strictest-rules-vaccine-industry-after>

<sup>468</sup> China's lawmakers consider 'strictest' rule on vaccine industry after scandals, South China Morning Post, 24 December 2018. Access date: 12 January 2018. <https://www.scmp.com/news/china/politics/article/2179357/chinas-lawmakers-consider-strictest-rules-vaccine-industry-after>

<sup>469</sup> China's lawmakers consider 'strictest' rule on vaccine industry after scandals, South China Morning Post, 24 December 2018. Access date: 12 January 2018. <https://www.scmp.com/news/china/politics/article/2179357/chinas-lawmakers-consider-strictest-rules-vaccine-industry-after>

<sup>470</sup> China's lawmakers consider 'strictest' rule on vaccine industry after scandals, South China Morning Post, 24 December 2018. Access date: 12 January 2018. <https://www.scmp.com/news/china/politics/article/2179357/chinas-lawmakers-consider-strictest-rules-vaccine-industry-after>

<sup>471</sup> 疫苗管理法草案二审 生产销售假劣疫苗最高可罚3000万元, China News (Beijing) 20 April 2019. Access Date: 10 October 2019. <https://www.chinanews.com/gn/2019/04-20/8814802.shtml>

<sup>472</sup> 疫苗管理法草案二审 生产销售假劣疫苗最高可罚3000万元, China News (Beijing) 20 April 2019. Access Date: 10 October 2019. <https://www.chinanews.com/gn/2019/04-20/8814802.shtml>

On 28 April 2019, police shut down a private hospital in Hainan after an investigation revealed that fraudulent HPV vaccines were being administered to patients.<sup>473</sup> The investigation found that some of the vaccines were smuggled into China, and some were made illegally in Jilin province.<sup>474</sup>

On 14 June 2019, the Ministry of Agriculture and Rural Affairs rejected a claim by pharmaceutical company Guangdong Highsun Group Co. Ltd. and Hainan's agricultural authorities that a vaccine for African swine fever had been successfully developed, stating that it had "no scientific basis."<sup>475</sup> The Ministry stated that neither party had applied for approval to research the vaccine, nor did Highsun Group hold a license to produce the vaccine.<sup>476</sup>

On 29 June 2019, the National People's Congress passed the vaccine administration law, tightening the supervision system and raising penalties for the production and distribution of fraudulent or substandard vaccines.<sup>477</sup> The new law sets the fines at 15 to 50 times the value of fraudulent vaccines being sold, or 10 to 30 times the value of substandard vaccines being sold.<sup>478</sup> Vaccines worth less than RMB500,000 will also be valued at a minimum of RMB500,000 for the sake of imposing fines.<sup>479</sup> The law will be enforced starting on 1 December 2019.<sup>480</sup>

On 19 July 2019, the CDC announced that an HIV vaccine currently under development will enter second-phase clinical trials, and it will be administered to 160 volunteers.<sup>481</sup> CDC medical scientist Shao Yiming stated that the CDC hopes the second-phase clinical trial will conclude before the end of 2021, and that third-phase trials could begin at the end of the same year.<sup>482</sup>

China has taken actions to strengthen coordination and cooperation in the areas of both vaccine research and development. It has also tightened regulatory restrictions to prevent the spread of fraudulent or substandard vaccines.

Thus, China receives a score of +1.

*Analyst: Michaella Ladha, Angelah (Yilin) Liu, Amy Chen and Ian Stansbury*

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<sup>473</sup> Private hospital in China closed down after dozens of patients given fake HPV vaccines, South China Morning Post (Hong Kong) 28 April 2019. Access Date: 10 October 2019.  
<https://www.scmp.com/news/china/society/article/3008005/private-hospital-china-closed-down-after-dozens-patients-given>

<sup>474</sup> Private hospital in China closed down after dozens of patients given fake HPV vaccines, South China Morning Post (Hong Kong) 28 April 2019. Access Date: 10 October 2019.  
<https://www.scmp.com/news/china/society/article/3008005/private-hospital-china-closed-down-after-dozens-patients-given>

<sup>475</sup> Agriculture Ministry Rejects Claimed Swine Fever Vaccine Fix, Caixin (Beijing) 14 June 2019. Access Date: 10 October 2019. <https://www.caixinglobal.com/2019-06-14/agriculture-ministry-rejects-claimed-swine-fever-vaccine-fix-101427113.html>

<sup>476</sup> Agriculture Ministry Rejects Claimed Swine Fever Vaccine Fix, Caixin (Beijing) 14 June 2019. Access Date: 10 October 2019. <https://www.caixinglobal.com/2019-06-14/agriculture-ministry-rejects-claimed-swine-fever-vaccine-fix-101427113.html>

<sup>477</sup> China adopts tough law to ensure vaccine safety, National People's Congress (Beijing) 29 June 2019. Access Date: 10 October 2019. <http://www.npc.gov.cn/englishnpc/c2763/201907/94b26df3b93c4cd4b3d90976fa962c07.shtml>

<sup>478</sup> China adopts tough law to ensure vaccine safety, National People's Congress (Beijing) 29 June 2019. Access Date: 10 October 2019. <http://www.npc.gov.cn/englishnpc/c2763/201907/94b26df3b93c4cd4b3d90976fa962c07.shtml>

<sup>479</sup> China adopts tough law to ensure vaccine safety, National People's Congress (Beijing) 29 June 2019. Access Date: 10 October 2019. <http://www.npc.gov.cn/englishnpc/c2763/201907/94b26df3b93c4cd4b3d90976fa962c07.shtml>

<sup>480</sup> China adopts tough law to ensure vaccine safety, National People's Congress (Beijing) 29 June 2019. Access Date: 10 October 2019. <http://www.npc.gov.cn/englishnpc/c2763/201907/94b26df3b93c4cd4b3d90976fa962c07.shtml>

<sup>481</sup> China starts latest trial of long-lasting HIV vaccine, China Daily (Beijing) 19 July 2019. Access Date: 10 October 2019. <http://www.chinadaily.com.cn/a/201907/19/WS5d310133a310d830563ffd27.html>

<sup>482</sup> China starts latest trial of long-lasting HIV vaccine, China Daily (Beijing) 19 July 2019. Access Date: 10 October 2019. <http://www.chinadaily.com.cn/a/201907/19/WS5d310133a310d830563ffd27.html>

### **South Africa: +1**

South Africa has fully complied with its commitment to strengthen coordination and cooperation in the area of vaccine research and development.

On 29 July 2018, the five BRICS leaders announced the establishment of a BRICS vaccine research and development centre in South Africa.<sup>483</sup>

On 1 August 2018, the South African Medical Research Council (SAMRC) established the Centre for the Study of Antimicrobial Resistance at the University of Cape Town South Africa to tackle the emerging antimicrobial resistance (AMR) crisis. According to the SAMRC president Glenda Gray, AMR threatens many of the advancements made in health in South Africa by making several critical drugs ineffective.<sup>484</sup>

On 2 November 2018, South Africa secured alliances with researchers from the United States from the HIV Vaccine Trials Network and HIV Prevention Trials Network. Enrollment of participations for trials and clinical sites, 14 of which will be conducted in South Africa. The antiretroviral programme will be researching whether broadly neutralising antibodies (BNAbs) can avert HIV infection. It has been established that BNabs are safe for human use, and now need to determine the appropriate dosage. Further, as possible risk factors for HIV, they will be testing the efficacy of pre-exposure prophylaxis, antiretroviral microbicide vaginal rings, and the role of hormonal contraceptives.<sup>485</sup>

On 12-29 November 2018, new health governance structures were be launched in four districts inn the North West province. These structures are intended to improve “community participation in the health care systems” and include “Provincial Health councils, hospital boards, sub districts health governance; fixed clinics and community health center committees.”<sup>486</sup>

On 4 December 2018, South Africa launched Cheka Impilo, a “multi diseases national wellness campaign to accelerate screening and testing for HIV, tuberculosis, sexually transmitted infections and noncommunicable diseases.”<sup>487</sup>

On 27 December 2018, scientists at the Moredun Research Institute collaborated with scientists in South Africa to develop a novel vaccine platform. The advance in production technology will allow for streamlined reaction times in the case of outbreak from the current 6 months to a rapid two to three weeks. Additionally, it allows for the development of strain specific vaccine development more

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<sup>483</sup> South Africa still has a large trade and investment deficit with the other BRICS, Daily Maverick (South Africa). 29 July 2018. Access Date: 11 January 2019. <https://www.dailymaverick.co.za/article/2018-07-29-south-africa-still-has-a-large-trade-and-investment-deficit-with-the-other-brics/>

<sup>484</sup> SAMRC invests in a new Extramural Research Unit to tackle Antimicrobial Resistance, The South African Medical Research Council, (Cape Town) 1 August 2018. Access Date: 5 January 2019. <http://www.mrc.ac.za/media-release/samrc-invests-new-extramural-research-unit-tackle-antimicrobial-resistance>

<sup>485</sup> HIV Vaccine offers hope in Defeating ‘cleverest virus in the world’, Sunday Times (South Africa). 2 November 2018. Access Date: 10 January 2019. <https://www.timeslive.co.za/news/south-africa/2018-11-02-hiv-vaccine-offers-hope-in-defeating-cleverest-virus-in-the-world/>

<sup>486</sup> MEC Magome Masike launches North West district health governance structures, 12 to 29 Nov, South African Government (North West) 13 November 2018. Access Date: 12 January 2019. <https://www.gov.za/speeches/mec-masike-launch-new-district-health-governance-structures-13-nov-2018-0000>

<sup>487</sup> South Africa launches campaign to expand access to HIV treatment, UNAIDS, (South Africa) 4 December 2018. Access Date: 5 January 2019. <http://www.unaids.org/en/resources/presscentre/featurestories/2018/december/south-africa-access-hiv-treatment>

rapidly. Lastly, the new vaccine platform ensures that the particles of the virus are effectively destroyed no longer posing a risk to infection in other living organisms.<sup>488</sup>

On 25 September 2019, following the South African Government Health Department's pledge to regain the Polio-free status it lost in 2017, the World Health Organization has certified South Africa to be polio-free. Certification was achieved by strengthening the countries' surveillance system and development of a robust outbreak preparedness plan.<sup>489</sup>

South Africa has strengthened coordination and cooperation in the area of vaccine research and development through partnerships with other research institutions and focusing on HIV prevention and treatment.

Thus, South Africa has received a score of +1.

*Analysts: Javad Ramal and Kiara Lu*

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<sup>488</sup> New vaccination could offer swifter response to FMD, The Courier (UK). 27 December 2018. Access date: 10 January 2019. <https://www.thecourier.co.uk/fp/business/farming/farming-news/792379/new-vaccination-could-offer-swifter-response-to-fmd/>

<sup>489</sup> World Health Organisation declares SA polio free, IOL (Durban) 25 September 2019. Access Date: 29 September 2019. <https://www.iol.co.za/mercury/news/world-health-organisation-declares-sa-polio-free-33532877>

## 6. Tax: Base Erosion and Profit Shifting

[We will continue our commitment to] ... to ensure the fairness of the international tax system particularly towards the prevention of base erosion and shifting of profits

*BRICS Johannesburg Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Brazil			+1
Russia			+1
India			+1
China			+1
South Africa			+1
Average		+1.00	

### Background

The first time that BRICS countries committed to “enhance cooperation in the international forums targeting tax base erosion and information exchange for tax purposes” was in their 2014 Fortaleza Declaration.<sup>490</sup> At the 2015 Ufa Summit, the leaders reaffirmed their intention to address tax issues and made commitments on tackling base erosion, assisting developing countries to strengthen tax administration capacity, and ensuring tax transparency and exchange of information for taxation purposes.<sup>491</sup> Commitments on similar priorities in the international tax agenda were made at the Goa, Hangzhou and Johannesburg summits.<sup>492</sup>

### Commitment Features

This commitment requires BRICS members to support international tax cooperation to address base erosion and profit shifting.

According to the Organisation for Economic Co-operation and Development (OECD), its members, along with other countries, including BRICS countries, are establishing a modern international tax framework under which profits are taxed where economic activity and value creation occur. Work will be carried out to support all countries interested in implementing and applying the rules in a consistent and coherent manner, particularly those for which capacity building is an important issue.<sup>493</sup> Thus, to comply with this commitment BRICS countries are expected to participate in the Action Plan on Base Erosion and Profit Shifting (BEPS), either by implementing OECD recommendations on BEPS embodied in 15 BEPS actions, or taking measures to support developing countries interested in applying anti-BEPS rules. BEPS actions focus on the following issues:

- Action 1 addresses the tax challenges of the digital economy and identifies the main difficulties that the digital economy poses for the application of existing international tax rules.
- Action 2 develops model treaty provisions and recommendations regarding the design of domestic rules to neutralize the effects of hybrid instruments and entities (e.g. double non-taxation, double deduction, long-term deferral).

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<sup>490</sup> The 6th BRICS Summit: Fortaleza Declaration, BRICS Information Centre 15 July 2014. Access date: 22 November 2016. <http://www.brics.utoronto.ca/docs/140715-leaders.htm>

<sup>491</sup> VII BRICS Summit: 2015 Ufa Declaration, BRICS Information Centre 9 July 2015. Access date: 22 November 2016. [http://www.brics.utoronto.ca/docs/150709-ufa-declaration\\_en.html](http://www.brics.utoronto.ca/docs/150709-ufa-declaration_en.html)

<sup>492</sup> 8th BRICS Summit: Goa Declaration. Access date: 22 November 2016. <http://brics.utoronto.ca/docs/161016-goa.html>

<sup>493</sup> The BEPS Package. Access date: 22 November 2016. <http://www.oecd.org/tax/beps/beps-about.htm#BEPSPackage>

- Action 3 sets out recommendations to strengthen the rules for the taxation of controlled foreign corporations (CFC).
- Action 4 outlines a common approach based on best practices for preventing base erosion through the use of interest expense, for example through the use of related-party and third-party debt to achieve excessive interest deductions or to finance the production of exempt or deferred income.
- Action 5 revamps the work on harmful tax practices with a focus on improving transparency, including compulsory spontaneous exchange on rulings related to preferential regimes, and on requiring substantial activity for preferential regimes, such as IP regimes.
- Action 6 develops model treaty provisions and recommendations regarding the design of domestic rules to prevent treaty abuse.
- Action 7 contains changes to the definition of permanent establishment to prevent its artificial circumvention, e.g. via the use of commissionaire structures and the likes.
- Actions 8 – 10 contain transfer pricing guidance to assure that transfer pricing outcomes are in line with value creation in relation to intangibles, including hard-to-value ones, to risks and capital, and to other high-risk transactions.
- Action 11 establishes methodologies to collect and analyse data on BEPS and the actions to address it, develops recommendations regarding indicators of the scale and economic impact of BEPS and ensure that tools are available to monitor and evaluate the effectiveness and economic impact of the actions taken to address BEPS on an ongoing basis.
- Action 12 contains recommendations regarding the design of mandatory disclosure rules for aggressive tax planning schemes, taking into consideration the administrative costs for tax administrations and business and drawing on experiences of the increasing number of countries that have such rules.
- Action 13 contains revised guidance on transfer pricing documentation, including the template for country-by-country reporting, to enhance transparency while taking into consideration compliance costs.
- Action 14 develops solutions to address obstacles that prevent countries from solving treaty-related disputes under MAP, via a minimum standard in this area as well as a number of best practices. It also includes arbitration as an option for willing countries.
- Action 15 provides an analysis of the legal issues related to the development of a multilateral instrument to enable countries to streamline the implementation of the BEPS treaty measures, as well as the mandate to carry out that work in 2016. Thus, no actions at national level are expected from G20 members in this particular area.<sup>494</sup>

Particular elements of each of the BEPS actions are described in relevant reports and summarized in the special Explanatory Statement.

Full compliance requires member's actions in line with these requirements to be taken during the compliance period. Actions in line with the indicated requirements taken prior to the compliance period lead to partial compliance. If the BRICS member has not taken any actions consistent with the BEPS package it receives a score of -1.

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<sup>494</sup> BEPS Actions. Access date: 22 November 2016. <http://www.oecd.org/tax/beps/beps-actions.htm>

### Scoring Guidelines

-1	BRICS member does not makes progress in implementing domestic reforms consistent with the BEPS Package OR supports countries interested in applying anti-BEPS rules during the compliance period, AND has not managed to implement some reforms to address BEPS before the compliance cycle started
0	BRICS member does not makes progress in implementing domestic reforms consistent with the BEPS Package OR supports countries interested in applying anti-BEPS rules during the compliance period BUT has managed to implement some reforms to address BEPS before the compliance cycle started
+1	BRICS member makes progress in implementing domestic reforms consistent with the BEPS Package OR supports countries interested in applying anti-BEPS rules during the compliance period

#### Brazil: +1

Brazil has fully complied with the commitment to ensure the fairness of the international tax system particularly towards the prevention of base erosion and shifting of profits.

On 13 May 2014, Brazil enacted corporate tax reform Law 12.973, the broadest and deepest reform to Brazil's corporate income tax system since 1977. The Law differs from the Provisional Measure 627 that was introduced in November 2013. The Law eliminates the restrictions on goodwill that were included in the Provisional Measure and also makes substantial changes to the proposed new CFC regime that was included in such Measure.<sup>495</sup>

On 30 September 2015, Brazilian authorities released Provisional Measure 694/2015 to amend the relevant legislation concerning the withholding of tax applicable to payments of interest on net equity. Provisional Measure 696 also introduced a further limitation in relation to the calculation of base for such payments.<sup>496</sup>

On 21 October 2016, Brazil signed the Multilateral Competent Authority Agreement on the exchange of country-by-country reports. This agreement enabled forms of administrative assistance in tax matters between the countries, including the exchange of information for tax purposes<sup>497</sup>.

On 21 February 2017, Brazil tax authorities enacted normative ruling No. 1,689, which regulated ruling procedures relating to the interpretation of the tax law. Rulings on transfer pricing, permanent establishments and certain research and development incentives were subjected to the mandatory exchange of information with other tax authorities. Private letter rulings, resolution acts and interpretative acts fell within the scope of the exchange of information.<sup>498</sup>

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<sup>495</sup> Brazil Enacts Tax Reform, Global Tax Alert, 14 May 2014. Access date: 25 December 2018. [https://www.ey.com/Publication/vwLUAssets/Brazil\\_enacts\\_tax\\_reform/\\$FILE/2014G\\_CM4420\\_Brazil%20enacts%20tax%20reform.pdf](https://www.ey.com/Publication/vwLUAssets/Brazil_enacts_tax_reform/$FILE/2014G_CM4420_Brazil%20enacts%20tax%20reform.pdf)

<sup>496</sup> Brazil: Changes to the calculation basis, International tax review, 29 October 2015. Access Date: 25 December 2018. <http://www.internationaltaxreview.com/Article/3501642/Brazil-Changes-to-the-calculation-basis-and->

<sup>497</sup> Signatories of the multilateral competent authority agreement on the exchange of country-by-country reports (CBC MCAA) and signing dates, OECD, 19 December 2017. Access Date: 25 December 2018. <https://www.oecd.org/tax/beps/CbC-MCAA-Signatories.pdf>

<sup>498</sup> BEPS Actions implementation by country , Action 5 – Harmful tax practices, 2017. Access Data : 28 December 2018. <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-beps-action-5-harmful-tax-practices-implementation-matrix.pdf>

On 24 June 2017, Brazil signed the protocol of amendment on double-taxation in addition to the bilateral agreement with Argentina signed on May 17, 1980.<sup>499</sup>

On 2 August 2018, in PLR No. 91/2018 the Brazilian Tax Authority ruled that the activities of representative offices established in Brazil by nonresident reinsurers (so-called admitted reinsurers under the Brazilian regulatory framework) may be restricted to mere ancillary types of activities, regardless of the ample powers granted to such representative offices under the Brazilian reinsurance law.<sup>500</sup>

On 16 October 2018, the Brazilian tax authorities published important guidelines for the classification of a given transaction as an “export of services” in Normative Ruling COSIT 1/2018 (16 October 2018). Normative Ruling COSIT 1/2018 provides insight into how the tax authorities intend to apply Brazilian tax law to the export of services.<sup>501</sup>

On 23 October 2018, the Brazilian tax authorities ruled that companies may exclude the monthly state value added tax from the tax basis of the social contributions. The ruling provided details on the method for calculating the mentioned “ICMS payable” amount to be considered when calculating the recoverable social contributions.<sup>502</sup>

On 23 November 2018, the Brazilian Government published Decree 9,580, which replaces the income tax regulations established by Decree 3,000 in 1999. The new regulations consolidate all the different pieces of income tax legislation published up to 31 December 2016. It also covers the relevant changes made to Brazilian tax legislation related to the taxation of profits of foreign controlled and affiliated parties.<sup>503</sup>

On 29 November 2018, Brazil's Revenue Authority (BRA) published new Mutual Agreement Procedure (MAP) Normative Instruction (NI) 1,846/18, which replaces NI 1,669/16. The newly adopted NI amends the MAP to allow taxpayers access to the MAP, even if they have already had an issue decided by an administrative or judicial court. The new NI also clarifies the manner in which the Brazilian taxpayer will be notified by the BRA about the MAP conclusions<sup>504</sup>.

On 11 December 2018, the Special Committee on Tax Reform approved the proposed indirect tax reform. This proposal would significantly change the system of indirect taxes in Brazil.<sup>505</sup>

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<sup>499</sup> Brazil's Responses to Beps - Implementation Through The Double Taxation Agreement With Argentina, 7 March 2018. Access date: 25 December 2018. <https://www.machadomeyer.com.br/en/recent-publications/publications/tax/brazil-s-responses-to-beps-implementation-through-the-double-taxation-agreement-with-argentina>

<sup>500</sup> Brazilian Tax Authority provides welcome guidance to nonresident reinsurers. Access Date: 25 December 2018. <https://taxinsights.ey.com/archive/archive-news/brazilian-tax-authority-provides-welcome-guidance.aspx>

<sup>501</sup> Brazilian tax authorities provide guidelines for classifying a transaction as an export of services, 5 November 2018. Access Date : 15 February 2019. <https://www.ey.com/gl/en/services/tax/international-tax/alert--brazilian-tax-authorities-provide-guidelines-for-classifying-a-transaction-as-an-export-of-services>

<sup>502</sup> Brazilian tax authorities rule on manner in which companies may exclude ICMS from PIS/COFINS tax basis, 1 November 2018. Access Date: 25 December 2018. <https://www.ey.com/gl/en/services/tax/international-tax/alert--brazilian-tax-authors-rule-on-manner-in-which-companies-may-exclude-icms-from-pis-cofins-tax-basis>

<sup>503</sup> Brazil issues new income tax regulations, 28 November 2018. Access Date : 25 December 2018. <https://www.ey.com/gl/en/services/tax/international-tax/alert--brazil-issues-new-income-tax-regulations>

<sup>504</sup> BEPS Actions implementation by country , Action 14 – Dispute resolution, 2018. Access Data : 28 December 2018. <https://www.ey.com/gl/en/services/tax/ey-beps-developments-tracker>

<sup>505</sup> Brazil: Special Committee of Lower House approves proposed indirect tax reform, 10 January 2019. Access Date: 15 February 2019. <https://www.ey.com/gl/en/services/tax/international-tax/alert--brazil---special-committee-of-lower-house-approves-proposed-indirect-tax-reform>

On 29 January 2019, the Brazilian tax authorities published NI RFB 1.870/19, clarifying the transfer pricing rules and their application as established by NI RFB 1.312/12. NI RFB 1.870/19 is effective for calendar year 2019 and thereafter. NI RFB 1.312/12 clarified the analysis regarding the relationship of the parties involved in a transaction to which the PIC method applies using external comparable information. NI RFB 1.870/19 clarified that, when using the PIC method, taxpayers may use as a comparable transaction the purchase and sales transactions with third parties performed by any company of the same group and located in any jurisdiction, as long as the third party is not located in a country considered as a tax haven or privileged tax jurisdiction.<sup>506</sup>

On 7 June 2019, Brazil and Uruguay signed a new tax treaty that contains BEPS-related measures as set forth in the OECD multilateral instrument (MLI) to implement the BEPS minimum standards (Uruguay has signed the MLI, although Brazil has yet to do so). The new treaty includes a principal purpose test and a limitation on benefits clause. It also contains an article on fiscally transparent entities, which states that income derived by or through a fiscally transparent entity will be considered to be income of a resident of a contracting state but only to the extent the income is treated, for the purposes of taxation by that state, as the income of a resident of that state. The treaty also contains changes to the permanent establishment article and an article on dispute resolution.<sup>507</sup>

On 11 July 2019, the OECD and Brazil's Receita Federal issued a joint statement at the high-level event held in Brasília, Brazil, to present the outcomes of the 15-month work programme carried out by OECD jointly with Receita Federal. This event was organised to highlight an important milestone reached in the joint transfer pricing project between OECD and Receita Federal, which was supported by the United Kingdom Foreign and Commonwealth Office. The work programme was launched in February 2018 to undertake an in-depth analysis of Brazil's transfer pricing legal and administrative framework and examine the similarities and divergences between the Brazilian and OECD transfer pricing approaches to valuing cross-border transactions between associated enterprises for tax purposes.<sup>508</sup>

Brazil has taken actions aimed at implementing the BEPS standard both before and within the compliance period. Thus, it receives a score of +1.

*Analyst: Polina Petrova*

### **Russia: +1**

Russia has fully complied with the commitment to ensure the fairness of the international tax system particularly towards the prevention of base erosion and shifting of profits.

On 24 November 2014, State Duma of Russian Federation prepared amendments to the Tax Code—adoption of the Federal Law (FZ-376) about changes in the first and second part of the Tax Code of the Russian Federation (in part of the taxation profits of controlled foreign companies and revenues of foreign organizations).<sup>509</sup>

On 8 March 2015, State Duma of Russian Federation prepared amendments to the second part of the Tax Code. Adoption of “thin” capitalization rules. For this, the action of freezing currency rates

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<sup>506</sup> Brazil modifies transfer pricing rules, 18 February 2019. Access Date : 15 February 2019.

<https://www.ey.com/gl/en/services/tax/international-tax/alert--brazil-modifies-transfer-pricing-rules>

<sup>507</sup> Brazil, Uruguay sign tax treaty, Deloitte 24 June 2019. Access date: 14 October 2019.

<https://www.taxathand.com/article/11837/Brazil/2019/Brazil-Uruguay-sign-tax-treaty>

<sup>508</sup> OECD and Brazil share outcomes of project to align Brazil's transfer pricing rules to OECD standard, OECD 11 July 2019. Access date: 14 October 2019. <https://www.oecd.org/tax/oecd-and-brazil-share-outcomes-of-project-to-align-brazil-s-transfer-pricing-rules-to-oecd-standard.htm>

<sup>509</sup> Federal Law «On Amendments to Parts One and Two of the Tax Code of the Russian Federation» № 376-FZ 24 November 2014. Access Date: 20 January 2019. [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_171241/](http://www.consultant.ru/document/cons_doc_LAW_171241/)

has been extended. These rules reduce the number of cases of reclassification of interest expenses into dividends that will not be deducted when calculating income tax.<sup>510</sup>

On 1 July 2015, the Convention on Mutual Administrative Assistance on tax matters was signed and entered into force for Russia, the execution of which will provide disclosure of information about aggressive tax planning.<sup>511</sup>

On 15 February 2016, State Duma of Russian Federation prepared amendments to the Tax Code and the Federal Law № 376 (FZ-376). Extension of the term of preferential liquidation of the controlled foreign company until January 1, 2018. In the event of liquidation of a controlled foreign company within a specified period of time, the taxpayer is relieved of his duties related to control over them. The property received from the liquidated company is exempt from taxation. In addition, certain benefits were introduced for the sale of securities owned by such a company.<sup>512</sup>

On 3 July 2016, State Duma of Russian Federation prepared amendments to the Tax Code (FZ-244) — establishing new rules for the value added tax (VAT) for electronic services provided by foreign organizations via the internet. The law provides for the obligation of foreign companies that are not residents of the Russian Federation to pay VAT on services rendered to individuals in electronic form. For this purpose, a special procedure for registering foreign corporations with Russian tax authorities is provided for. The electronic services that are affected by this law include the provision of advertising services on the internet, the broadcast of TV and radio channels, hosting services, the provision of domain names.<sup>513</sup>

On 7 June 2017 a new version of the draft law on the introduction of requirements for the preparation of documentation for international groups of companies in Russia has been submitted for public discussion.<sup>514</sup>

On 1 September 2017 the list of states and territories that do not provide tax information exchange with the Russian Federation was approved and later updated.<sup>515</sup>

On 4 December 2018, the Multilateral Agreement authorities on the automatic exchange of information on financial accounts was signed.<sup>516</sup>

On 4 February 2019, Commission on legislative activity approved a draft law on ratification of the OECD multilateral Convention on BEPS.<sup>517</sup>

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<sup>510</sup> Federal Law «On Amendments to Part Two of the Tax Code of the Russian Federation» № 32-FZ 8 March 2015.

Access Date: 15 January 2019. [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_176138/](http://www.consultant.ru/document/cons_doc_LAW_176138/).

<sup>511</sup> Convention on Mutual Administrative Assistance in Tax Matters 1 July 2015. Access Date: 15 January 2019. [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_186124/](http://www.consultant.ru/document/cons_doc_LAW_186124/).

<sup>512</sup> Federal Law «On Amendments to Parts One and Two of the Tax Code of the Russian Federation and Federal Law № 376» № 32-FZ 15 February 2016. Access Date: 10 January 2019. [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_193997/](http://www.consultant.ru/document/cons_doc_LAW_193997/).

<sup>513</sup> Federal Law «On Amendments to Parts One and Two of the Tax Code of the Russian Federation» № 244-FZ 03 June 2016. Access Date: 20 January 2019. [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_200490/](http://www.consultant.ru/document/cons_doc_LAW_200490/)

<sup>514</sup> Draft of the Federal Law «On Amendments to Part One of the Tax Code of the Russian Federation (in terms of improving the procedure for concluding an agreement on pricing for tax purposes)» 7 June 2017. Access date: 10 January 2019 <http://www.consultant.ru/cons.cgi/online.cgi?req=doc;base=PRJ;n=160092#003604620939171044>.

<sup>515</sup> Order of the Federal Tax Service of Russia № MMB-7-17 / 709 @ «On approval of the List of states (territories) that do not provide information exchange for tax purposes with the Russian Federation» 1 September 2017. Access Date: 10 January 2019. [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_282443/](http://www.consultant.ru/document/cons_doc_LAW_282443/).

<sup>516</sup> Order of the Federal Tax Service of Russia № MMB-7-17 / 784 @ «On approval of the List of States (territories) with which the automatic exchange of financial information is carried out» 4 December 2018. Access Date: 15 January 2019. [http://www.consultant.ru/document/cons\\_doc\\_LAW\\_314333/](http://www.consultant.ru/document/cons_doc_LAW_314333/).

On April 17, 2019, the State Duma adopted the federal law “On ratification of the multilateral Convention on the implementation of measures related to tax agreements, in order to prevent the erosion of the tax base and the withdrawal of profits from taxation”.<sup>518</sup>

On 18 June 2019, Russia joined the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting.<sup>519</sup>

Russia has taken actions aimed at implementing the BEPS standard both before and within the compliance period. Thus, it receives a score of +1.

*Analyst: Tatyana Tsarenkova*

### **India: +1**

India has fully complied with the commitment to ensure the fairness of the international tax system particularly towards the prevention of base erosion and shifting of profits (BEPS).

On 22 November 2018, the Central Board of Direct Taxes (CBDT) of India issued an Instruction outlining the recommended approaches to deal with the templates containing information in respect of certain taxpayer-specific rulings from foreign jurisdictions received under BEPS Action 5 and utilization of the information therein.<sup>520</sup>

On 26 November 2018, the Government of India and the Government of the People’s Republic of China signed a Protocol to revise the Double Taxation Avoidance Agreement between the two parties. The Protocol updated the previous regulations for exchange of information to the latest international standards. It also introduced changes required to implement treaty related minimum standards under the reports for the BEPS Project.<sup>521</sup>

On 26 December 2018, Department of Revenue of India’s Ministry of Finance published explanatory notes to the provisions of the Finance Act 2018, including those related to BEPS Actions 1 and 7.<sup>522</sup>

On 25 June, 2019, India has deposited the Instrument of Ratification to OECD, Paris along with its Final Position in terms of Covered Tax Agreements (CTAs), Reservations, Options and Notifications under the MLI, as a result of which MLI will enter into force for India on 1 October 2019.<sup>523</sup>

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<sup>517</sup> The legislative drafting commission endorsed a bill to ratify the OECD multilateral convention on BEPS, Government of Russian Federation 4 February 2019. Access date: 11 March 2019. [http://government.ru/dep\\_news/35644/](http://government.ru/dep_news/35644/)

<sup>518</sup> Russia in BEPS, and BEPS in Russia, OECD Russia 17 April 2019. Access date: 14 October 2019. <https://oecd-russia.org/news/rossiya-v-beps-a-beps-v-rossii.html>

<sup>519</sup> Russia joins BEPS MLI to address tax avoidance, Multinational Tax and Transfer Pricing News 18 June 2019. Access date: 14 October 2019. <https://mnetax.com/russia-joins-beps-mli-to-address-tax-avoidance-34411>

<sup>520</sup> Instruction No. 6/2018, itatonline.org 22 November 2018. Access date: 26 February 2019. <http://itatonline.org/info/wp-content/uploads/2018/11/CBDT-BEPS-Rulings-Template.pdf>

<sup>521</sup> Protocol amending India-China DTAA, Press Information Bureau of the Government of India Cabinet 26 November 2018. Access date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=185951>.

<sup>522</sup> Explanatory Notes to the Provisions of the Finance Act 2018, Income Tax Department, Government of India 26 December 2018. Access date: 26 February 2019. [https://www.incometaxindia.gov.in/Communications/Circular/Circular\\_8\\_2018.pdf](https://www.incometaxindia.gov.in/Communications/Circular/Circular_8_2018.pdf)

<sup>523</sup> Ratification by India of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting, Press Information Bureau of Government of India (Ministry of Finance) 2 July 2019. Access date: 14 October 2019. <https://pib.gov.in/newsite/PrintRelease.aspx?relid=191125>

India has taken actions aimed at implementing the BEPS standard both before and within the compliance period. Thus, it receives a score of +1.

*Analysts: Yekaterina Litvintseva and Alina Kachanova*

**China: +1**

China has fully complied with the commitment to ensure the fairness of the international tax system particularly towards the prevention of base erosion and shifting of profits (BEPS).

On 31 August 2018, the National People's Congress Standing Committee approved a second draft of the Individual Income Tax Law to amend a number of elements of the calculation and enforcement of individual income tax (IIT) in China. The aim of the new IIT law is to ease the tax burden for low to mid-income earners while taking a tougher stance on both high-income earners and foreign workers. It includes significant changes to residency rules and the introduction of General Anti Avoidance Rules (GAARs) for individuals. The law is also about improving transparency and flexibility of tax policy. With reference to the GAARs under the Corporate Income Tax Law, the new rules empower the PRC tax authorities to assess tax on individuals who are involved in certain transactions — asset transfers that are not at arm's length, tax avoidance by use of a low tax jurisdiction or deriving inappropriate tax benefits through unreasonable commercial arrangements. Where tax is assessed, late payment surcharges will be collected accordingly. China also started exchanging information on residents' financial accounts with about 100 other countries from September.<sup>524</sup>

On 21 December 2018, the Chinese Government introduced major measures to reform its individual income tax. The revised rules of the individual income tax law and special individual income tax deductions took effect on 1 January 2019.<sup>525</sup>

On 23 March 2019, new Double Tax Agreement (DTA) between Italy and China was signed for the achievement of the following goals: avoidance of double taxation, prevention of fiscal evasion, promotion of the investments and fiscal certainty.<sup>526</sup>

On 2 April 2019, new Double Tax Agreement between the People's Republic of China and New Zealand was signed in Beijing yesterday. The agreement will promote economic ties between the two countries. It reduces the withholding tax rates imposed on certain dividends. It also eliminates the risk of double taxation.<sup>527</sup>

China has taken actions aimed at implementing the BEPS standard both before and within the compliance period. Thus, it receives a score of +1.

*Analyst: Dmitriy Zits*

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<sup>524</sup> China makes changes to the Individual Income Tax Law, The Sovereign Group 28 September 2018. Access date: 5 February 2019. <https://www.sovereigngroup.com/news-and-views/china-changes-individual-income-tax-law-what-options-are-available-to-foreign-nationals-with-tax-residency-in-china/>

<sup>525</sup> Tax cut details unveiled to boost consumption, China Economic Net 24 December 2018. Access date: 24 December 2018. [http://en.ce.cn/Business/topnews/201812/24/t20181224\\_31097904.shtml](http://en.ce.cn/Business/topnews/201812/24/t20181224_31097904.shtml)

<sup>526</sup> The new Double Tax Agreement between Italy and China, IUS IN ITINERE 23 March 2019. Access date: 16 October 2019. <https://www.iusinitinere.it/double-tax-agreement-between-italy-and-china-role-of-oecd-g20-beps-and-of-the-mli-20525>

<sup>527</sup> NZ signs new DTA with China, Inland Revenue 2 April 2019. Access date: 16 October 2019. <http://taxpolicy.ird.govt.nz/news/2019-04-02-nz-signs-new-dta-china>

### **South Africa: +1**

South Africa has fully complied with the commitment to ensure the fairness of the international tax system particularly towards the prevention of base erosion and shifting of profits (BEPS).

On 1 January 2016, country-by-country reporting requirements introduced by the government came into force.<sup>528</sup>

On 28 July 2017, South Africa and Turkey signed a protocol amending the agreement between the two countries for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed.<sup>529</sup>

On 28 July 2017, agreement between the government of South Africa and the government of Samoa for the exchange of information relating to tax matters was signed.<sup>530</sup>

On 1 September 2017, convention between the government of South Africa and the government of Cameroon for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income was signed.<sup>531</sup>

On 24 October 2018, the National Treasury of South Africa revision of regulations of the Value Added Tax Act of 1991. New regulations require suppliers of electronic services to register for value added tax purposes in cases if such services are supplied by a person outside South Africa and conducting an enterprise in South Africa.<sup>532</sup>

On 20 February 2019, the South African Minister of Finance presented the Budget for 2019/20 before Parliament. Among others, the Budget proposes the following: (i) a special interest deduction relating to debt-financed acquisitions of controlling shares in an operating company; (ii) the introduction of additional robust measures in the controlled foreign company rules to address the circumvention of the anti-diversionary rules; and (iii) the review of the definition of permanent establishment in domestic legislation in line with South Africa's positions under the BEPS MLI.<sup>533</sup>

South Africa has taken actions aimed at implementing the BEPS standard both before and within the compliance period. Thus, it receives a score of +1.

*Analyst: Alexander Ignatov*

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<sup>528</sup> BEPS Actions implementation by country: South Africa, Deloitte. Access Date: 28 February 2019.

<https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Tax/dttl-tax-beps-actions-implementation-south-africa.pdf>

<sup>529</sup> Income Tax Act: Agreement between South Africa and Turkey for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income, Government of South Africa 28 July 2017. Access Date: 28 February 2019. <https://www.gov.za/documents/income-tax-act-agreement-between-south-africa-and-turkey-avoidance-double-taxation-and>

<sup>530</sup> Agreement between the government of the Republic of South Africa and the government of Samoa for the exchange of information relating to tax matters, Government of South Africa 28 July 2017. Access Date: 28 February 2019. [https://www.gov.za/sites/default/files/gcis\\_document/201707/41009gon756.pdf](https://www.gov.za/sites/default/files/gcis_document/201707/41009gon756.pdf)

<sup>531</sup> Convention between the government of the Republic of South Africa and the government of the Republic of Cameroon for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, Government of South Africa 1 September 2017. Access Date: 28 February 2019. [https://www.greengazette.co.za/notices/income-tax-act-58-1962-agreement-between-south-africa-and-cameroon\\_20170901-GGN-41082-00936-01](https://www.greengazette.co.za/notices/income-tax-act-58-1962-agreement-between-south-africa-and-cameroon_20170901-GGN-41082-00936-01)

<sup>532</sup> South Africa releases final E-services VAT regulations effective 1 April 2019. Access date: 19 February 2019. URL: <https://www.ey.com/gl/en/services/tax/international-tax/alert--south-africa-releases-final-e-services-vat-regulations--effective-1-april-2019>

<sup>533</sup> Global Tax Alert, Ernst & Young 25 March 2019. Access date: 14 October 2019.

<https://www.ey.com/gl/en/services/tax/international-tax/alert--the-latest-on-beps--25-march-2019>

## 7. Financial Regulation: Market Integration

2018-55: We reaffirm our commitment to facilitate financial market integration through promoting the network of financial institutions and the coverage of financial services within BRICS countries, subject to each country's existing regulatory framework and WTO [World Trade Organization] GATS [General Agreement on Trade in Services] obligations

*BRICS Johannesburg Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Brazil			+1
Russia			+1
India			+1
China			+1
South Africa		0	
Average		+0.80	

### Background

For the first time BRICS countries committed to “facilitate financial market integration through promoting the network of financial institutions and the coverage of financial services within BRICS countries, subject to each country's existing regulatory framework and WTO [World Trade Organization] obligations” in their 2017 Xiamen declaration.<sup>534</sup> At the 2018 Johannesburg Summit the leaders reaffirmed their intention to address integration in the financial area and made commitments on cooperation between financial institutions, financial sector regulators and central banks to improve intra-BRICS financial engagement.<sup>535</sup>

### Commitment Features

This is a two-part commitment providing for strengthening intra-BRICS financial market integration through two means. First, member countries are expected to promote the BRICS network of financial institutions. Particular actions in this area may include, but are not limited to: national measures aimed at improving the functioning of the New Development Bank (NDB), for instance, creating favourable conditions for issuing NDB bonds in the domestic market; measures to develop and deepen cooperation between national development banks within the BRICS Inter-Bank Cooperation Mechanism<sup>536</sup>; measures to support bilateral or multilateral cooperation between national financial institutions, both banking and non-banking, aimed specifically on other BRICS members.

The second part of the commitment provides for measures aimed at expanding the coverage of financial services within BRICS countries, thus improving financial inclusion. Substantial progress in this area has been achieved by the G20 Global Partnership for Financial Inclusion. As G20 members, all BRICS countries have committed to implement measures in accordance with the latest 2017 G20 Financial Inclusion Action Plan. Regarding national implementation, this Action Plan mentions actions in the following areas:

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<sup>534</sup> BRICS Leaders Xiamen Declaration, 4 September 2017. Access date: 27 September 2018. <https://www.ranepa.ru/images/media/brics/2017/mEsqRkedzqYLDwxo6AbZnCkmAo9Xta3d.pdf>.

<sup>535</sup> 10th BRICS Summit Johannesburg Declaration, 27 July 2018. Access date: 27 September 2018. [https://www.ranepa.ru/images/media/brics/sapresidency2/JOHANNESBURG\\_DECLARATION.pdf](https://www.ranepa.ru/images/media/brics/sapresidency2/JOHANNESBURG_DECLARATION.pdf).

<sup>536</sup> BRICS Inter-Bank Cooperation Mechanism. Access date: 27 September 2018. <http://www.brics-ibcm.org>

- Carrying out policy reforms that facilitate the expansion of financial services to small and medium-sized enterprises (SMEs) via the implementation of the G20 Action Plan on SME Financing, the G20 High-Level Principles for Digital Financial Inclusion, the G20/Organisation for Economic Co-operation and Development (OECD) High-Level Principles on SME Financing, and the SME Finance Compact;
- Improving the capacity of public authorities and other relevant stakeholders to develop, implement, and rigorously evaluate financial literacy and consumer protection initiatives and policies;
- Reducing the cost of sending remittances taking into account systemic causes of high remittance transfer costs, while ensuring the quality of remittances services and service delivery, and working to establish a supportive policy and regulatory environment for competitive remittance markets, as well as to maximize their impact on local economic development;
- Expanding opportunities for innovative approaches to grow responsible financial inclusion as to incorporate strong links to market based approaches through engagement with financial services providers, including banks and non-banks, and technology providers.<sup>537</sup>

In order to achieve full compliance, BRICS members are required to take actions addressing both parts of the commitment.

### **Scoring Guidelines**

-1	Member takes no actions aimed at facilitating financial market integration.
0	Member takes actions aimed at facilitating financial market integration through promoting EITHER the network of financial institutions OR the coverage of financial services.
+1	Member takes actions aimed at facilitating financial market integration through promoting BOTH the network of financial institutions AND the coverage of financial services.

#### **Brazil: +1**

Brazil has fully complied with the commitment to facilitate financial market integration through promoting the network of financial institutions and the coverage of financial services within BRICS countries.

On 26 July 2018, Minister of Foreign Affairs Aloysio Nunes Ferreira, the Minister of Finance Eduardo Guardia and the president of the New Development Bank (NDB), K.V. Kamath, signed an agreement establishing the NDB Americas Regional Office. The NDB Americas Regional Office will be headquartered in Sao Paulo and have a representative office in Brasilia. The new office will enable the NDB to expand the scope of its operations by encouraging the prospection and development of projects to be financed by the bank in Brazil and in the region.<sup>538</sup>

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<sup>537</sup> 2017 Financial Inclusion Action Plan, Global Partnership for Financial Inclusion July 2017. Access date: 27 September 2018.<http://www.gpfi.org/sites/default/files/documents/2017%20G20%20Financial%20Inclusion%20Action%20Plan%20final.pdf>.

<sup>538</sup>New Development Bank Americas Regional Office, 27 July 2018. Access Date: 25 December 2018.  
<http://www.itamaraty.gov.br/en/press-releases/19253-escritorio-regional-das-americas-do-novo-banco-de-desenvolvimento-2>

On 22 August 2018, the National Bank for Economic and Social Development (BNDES) and its peers of countries that make up the BRICS block, signed a memorandum of understanding to stimulate blockchain and distributed ledger technologies.<sup>539</sup>

On 30 October 2018, the Decree No. 9,544, signed by President Michel Temer was published. It authorizes the foreign capital contribution in Brazilian fintechs up to 100%. The realization of foreign investments in fintechs is fundamental to foster continuous advances in technological innovations and to allow such institutions to expand the range of differentiated and innovative financial products. This measure was taken within the program “More Efficient Financial System” (Sistema Financeiro Mais Eficiente).<sup>540</sup>

On 26 September 2019, Presidential decree authorizing the installation of new agencies of foreign financial institutions in the country and the increase of the participation of foreign investors in the capital of Brazilian financial institutions to give equal treatment to foreign investors in relation to nationals was issued. The change will make the process of joining for new agents more agile, stimulating the improvement in the quality of financial services provided and the reduction of costs for clients, as a result of increased competition between institutions.<sup>541</sup>

Brazil has taken actions aimed at facilitating financial market integration through promoting both the network of financial institutions and the coverage of financial services. Thus, it receives a score of +1.

*Analyst: Polina Petrova*

#### **Russia: +1**

Russia has fully complied with the commitment to facilitate financial market integration through promoting the network of financial institutions and the coverage of financial services within BRICS countries.

On 3 September 2018, on the results of the meeting of the Presidium of the Presidential Council under the President of the Russian Federation on strategic development and national projects, the Russian Government approved the statute of the National Project for the Support of SME [Small and Medium Sized Enterprises], which will be launched in 2019. This National Project carries a customer-oriented approach and provides for meeting most business needs. The emphasis has been placed on information resources, due to which an entrepreneur can learn about state support measures and get access to educational projects to improve financial literacy.<sup>542</sup>

On 5 November 2018, in the framework of the meeting of Russian Prime Minister Dmitry Medvedev with President of the BRICS New Development Bank Kundapur Vaman Kamath, it was

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<sup>539</sup> Bancos dos Brics fecham acordo para uso do blockchain, 22 October 2018. Access Date: 25 December 2018. <https://exame.abril.com.br/economia/bancos-dos-brics-fecham-acordo-para-uso-do-blockchain/>

<sup>540</sup> Governo autoriza 100% de capital estrangeiro nas fintechs, 30 October 2018. Access Date : 25 December 2018. <https://economia.uol.com.br/noticias/estadão-conteúdo/2018/10/30/governo-autoriza-100-de-capital-estrangeiro-nas-fintechs.htm>

<sup>541</sup> BC autoriza participação de capital estrangeiro em instituições financeiras brasileiras, Brazil's Ministry of the Economy 1 October 2019. Access date: 14 October 2019. <http://www.economia.gov.br/noticias/2019/10/bc-autoriza-participacao-de-capital-estrangeiro-em-instituicoes-financeiras-brasileiras>

<sup>542</sup> National project «MSMEs and support of entrepreneurship», Feddral Portal of SME 25 September 2018. Access date: 12 January 2019. <http://smb.gov.ru/mediacenter/businessnews/18004.html>.

noted that the bank is ready to support the implementation of the agenda of the Russian government in the field of economic development and infrastructure programs.<sup>543</sup>

On 3 December 2018, the Mono-Town Development Fund made decisions aimed at increasing the number of investment projects and supporting SMEs by providing financing in order to develop projects for the urban economy of single-industry towns.<sup>544</sup>

On 25 February 2019, Russian Ministry of Economic Development launched a program of concessional lending for small and medium-sized enterprises as part of the National Project for the Support of SMEs. Entrepreneurs will be able to get loans from authorized banks at a rate of no more than 8.5%. In total, the program included 70 banks from 29 Russian regions.<sup>545</sup>

On 27 June 2019, more than 20 additional banks were authorized by the Russian Ministry of Economic Development to provide concessional lending for small and medium-sized enterprises in the framework of the National Project for the Support of SMEs.<sup>546</sup>

Russia has taken actions aimed at facilitating financial market integration through promoting both the network of financial institutions and the coverage of financial services. Thus, it receives a score of +1.

*Analyst: Tatyana Tsarenkova*

#### **India: +1**

India has fully complied with the commitment to facilitate financial market integration through promoting the network of financial institutions and the coverage of financial services within BRICS countries.

On 1 September 2018, Indian Prime Minister Shri Narendra Modi launched the India Post Payments Bank (IPPB) at Talkatora Stadium in New Delhi as a part of National Mission for Financial Inclusion. IPPB branches opened across 650 districts including remote areas. IPPB offers a range of banking services such as savings and current accounts, remittances and money transfer, direct benefit transfers, bill and utility payments, and enterprise and merchant payments through multiple channels (at-the-counter services, micro-ATM, mobile banking app, SMS and interactive voice response).<sup>547</sup>

On 5 September 2018, the Union Cabinet chaired by Prime Minister Shri Narendra Modi approved the continuation of National Mission for Financial Inclusion — Pradhan Mantri JanDhan Yojana launched in 2014 with some minor changes aimed at expanding its coverage. The mission enables all

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<sup>543</sup> New Development Bank is ready to provide capital for Russian Government's programmes, TASS 5 November 2018. Access date: 20 January 2019. <https://tass.ru/ekonomika/5756321>.

<sup>544</sup> A regular meeting of the supervisory board of the non-profit organization "Development company of single-industry towns" took place, Mono-Town Development Fund 4 December 2018. Access date: 20 January 2019. [http://www.frmrus.ru/news/sostoyalos\\_zasedanie\\_nablyudatelnogo\\_soveta\\_fonda\\_razvitiya\\_monogorodov\\_26/](http://www.frmrus.ru/news/sostoyalos_zasedanie_nablyudatelnogo_soveta_fonda_razvitiya_monogorodov_26/).

<sup>545</sup> The Ministry of Economic Development of Russia approved 70 banks for providing soft loans to SMEs at a rate of 8.5%, Federal Portal of SMEs 25 February 2019. Access date: 14 October 2019. <http://smb.gov.ru/mediacenter/bisnessnews/18039.html>.

<sup>546</sup> 22 additional banks have joined the program of concessional lending to SMEs at a rate of 8.5%, Federal Portal of SMEs 27 June 2019. Access date: 14 October 2019. <http://smb.gov.ru/mediacenter/bisnessnews/18048.html>.

<sup>547</sup> PM launches India Post Payments Bank – a major initiative towards financial inclusion, Press Information Bureau, Government of India 1 September 2018. Access Date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=183218>.

adults of the country to have at least one basic bank account, provides access to other financial services and social security schemes, with an overdraft of up to INR10,000.<sup>548</sup>

On 12 September 2018, the Union Cabinet approved the Memorandum of Understanding on Collaborative Research on Distributed Ledger and Block chain Technology for the development of digital economy by Export-Import Bank of India (Exim Bank) and other member banks of the BRICS Interbank Cooperation Mechanism.<sup>549</sup>

On 25 September 2018, Indian Minister of Finance and Corporate Affairs Shri Arun Jaitley launched the Financial Inclusion Index after his Annual Performance Review Meeting with CEOs of the public sector banks. Department of Financial Services of the Ministry of Finance was obliged to release an Annual Financial Inclusion Index to measure the access and usage of financial products and services. The index has three measurement dimensions, including access to financial services, usage of financial services and their quality. According to the Indian government, the launch of the Index helped fulfil the G20 requirements concerning Financial Inclusion Indicators.<sup>550</sup>

On 25 September 2018, Minister of Finance and Corporate Affairs Shri Arun Jaitley launched an electronic credit platform for micro, small and medium-sized enterprises. This platform was aimed at simplifying the decision-making process for giving loans as the system's algorithms were able to read and analyze the data from various sources in less than an hour while capturing the applicant's basic details using smart analytics from available documents. The new platform reduced the overall time needed for credit approval from 20-25 days to 59 minutes, providing for the subsequent disbursement of loans within 7-8 working days.<sup>551</sup>

On 26 September 2018, Department of Financial Services of the Ministry of Finance and National Informatics Centre introduced a mobile app called Jan Dhan Darshak as a part of their efforts to enhance financial inclusion. The main goal of creating the app was to provide a platform for finding offices of financial services providers such as banks, post offices, etc. Over 500,000 locations had been mapped within the app by its launch.<sup>552</sup>

On 16 July 2019, Reserve Bank of India (RBI) has rationalized its Branch Authorisation Policy and granted general permission to domestic Scheduled Commercial Banks (excluding Regional Rural Banks), including Public Sector Banks, to open banking outlets (a fixed point service delivery unit, manned by either bank's staff or its Business Correspondents) at any place in the country, without seeking prior approval of RBI in each case, subject to at least 25 percent of the total number of banking outlets opened during a financial year being in unbanked rural centres.<sup>553</sup>

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<sup>548</sup> Cabinet approves continuation of Pradhan Mantri JanDhan Yojana, Press Information Bureau, Government of India 5 September 2018. Access Date: 26 February 2019. <http://pib.nic.in/PressReleseDetail.aspx?PRID=1545090>.

<sup>549</sup> Memorandum of Understanding (MoU) on Collaborative Research on Distributed Ledger and Block chain Technology, Press Information Bureau, Government of India 12 September 2018. Access Date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=183417>.

<sup>550</sup> Shri Arun Jaitley launches the Financial Inclusion Index. Single Composite Index to give a snap shot of level of financial inclusion, Press Information Bureau, Government of India 25 September 2018. Access Date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=183683>.

<sup>551</sup> Transformative initiative in MSME credit space will enable in principle approval for MSME loans up to Rs. 1 crore within 59 minutes from SIDBI and 5 Public Sector Banks (PSBs), Press Information Bureau, Government of India 25 September 2018. Access Date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=183682>.

<sup>552</sup> Mobile App to Provide Guidance to the Common People in Locating a Financial Service Touch Point at a Given Location in the Country, Press Information Bureau, Government of India 26 September 2018. Access Date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=183691>.

<sup>553</sup> PSBs Branches in Rural Areas for Success of PMJDY, Public Information Bureau of Indian Government 16 July 2019. Access date: 15 October 2019. <https://pib.gov.in/PressReleseDetail.aspx?PRID=1578987>

On 2 September 2019, the Steering Committee on Fintech related issues submitted its Final Report. The report outlines the current landscape in the Fintech space globally and in India, studies the various issues relating to its development and makes recommendations focusing on how fintech can be leveraged to enhance financial inclusion of MSMEs with a view to making fintech related regulations more flexible and generate enhanced entrepreneurship. The Committee report also identifies application areas and use cases in Governance and financial services and suggests regulatory upgrades enabling fintech innovations.<sup>554</sup>

India has taken actions aimed at facilitating financial market integration through promoting both the network of financial institutions and the coverage of financial services. Thus, it receives a score of +1.

*Analyst: Yekaterina Litvintseva*

**China: +1**

China has fully complied with the commitment to facilitate financial market integration through promoting the network of financial institutions and the coverage of financial services within BRICS countries

On 18 December 2018, it was announced that the first FinGeo global conference will be held at Beijing Normal University in China, on September 15-18, 2019. The FinGeo Global Conference 2019 will bring together researchers from geography, finance, economics, sociology, political science, urban studies, business studies, public policy and other disciplines from all over the world, to share research on new developments in the world of finance and their impacts on economy, society and environment at different scales, from local to global. One of the key issues which will be discussed is financial integration through promoting financial networks. The conference organizer is Beijing Normal University.<sup>555</sup>

On 27 December 2018, China's financial oversight committee gave the go-ahead for commercial banks to fill out their capital reserves by issuing perpetual bonds — securities that promise to pay out interest as long as the creditor decides to hold the bond, offering lenders another route to raise funds in the midst of an economic slowdown. This measure is to boost capital, which will lead to the growth of economic stability and financial integration.<sup>556</sup>

On 18 February 2019, the Central Committee of the Communist Party of China and the State Council issued the "Outline of Development Planning for Guangdong, Hong Kong and Macao Dawan District" and issued a notice requesting all departments of various regions to conscientiously implement it. One of the key points of the plan is market integration of the region through promoting financial services.<sup>557</sup>

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<sup>554</sup> Steering Committee on Fintech related issues submits its Final Report to Finance Minister, Public Information Bureau of Indian Government 2 September 2019. Access date: 15 October 2019.

<https://pib.gov.in/PressReleseDetail.aspx?PRID=1583866>

<sup>555</sup> Call for Papers. 1st FinGeo Global Conference 2019. Global Financial Shift? Mapping a Financialized World in Transformation. Beijing Normal University, Beijing, China, September 15-18, 2019, FinGeo 18 December 2018. Access date: 5 February 2019. <http://www.fingeo.net/15092019-first-global-fingeo-conference-beijing-china/>

<sup>556</sup> China approves banks' use of perpetual bonds to boost capital, China economic review 27 December 2018. Access date: 6 January 2019. <https://chinaeconomicreview.com/china-approves-banks-use-of-perpetual-bonds-to-boost-capital/>

<sup>557</sup> The Central Committee of the Communist Party of China issued the "Outline of Development Planning for Guangdong, Hong Kong and Macao Dawan District", People's Daily 18 February 2019. Access date: 18 February 2019. <http://hm.people.com.cn/n1/2019/0218/c42272-30761452.html>

On 21 July 2019, China announced that it will further open up its financial markets with 11 measures, and scrap foreign shareholding limitations in securities, asset management and futures firms in 2020, a year ahead of schedule. Of the 11 measures, four are related to the insurance sector, three cover the bond sector, and two are linked to wealth management. Two are connected with securities business. The China Securities Regulatory Commission said it is working quickly to roll out auxiliary measures to fully implement the new policies. It will also boost its regulatory oversight to effectively stem risks and ensure orderly opening up.<sup>558</sup>

On 12 August 2019, China's authorities started to work towards launching a platform to facilitate information disclosure of medium-sized, small and micro enterprises. The platform is planned to provide such firms with inexpensive financial services while enabling financial institutions to identify clients accurately to control risks of lending.<sup>559</sup>

On 22 August 2019, the People's Bank of China released the "FinTech Development Plan (2019—2021)" aimed at promoting faster development of the financial sector. Through application of FinTech Development Plan, authorities plan to enhance quality and efficiency of financial services. It suggests steps in the fields of technology, laws and regulations, credit services, standards and consumer protection to drive the development of FinTech.<sup>560</sup>

On 28 August 2019, the People's Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission, and Cyberspace Administration of China jointly launched 2019 Financial Literacy Month for promoting financial literacy. The activity put an emphasize on financial knowledge and risk prevention skills among financial consumers and investors. It also guided consumers and investors how to rationally select and properly use financial products and services.<sup>561</sup>

China has taken actions aimed at facilitating financial market integration through promoting both the network of financial institutions and the coverage of financial services. Thus, it receives a score of +1.

*Analyst: Dmitriy Zits*

### **South Africa: 0**

South Africa has partially complied with the commitment to facilitate financial market integration through promoting the network of financial institutions and the coverage of financial services within BRICS countries.

On 22-26 October 2018, the University of Johannesburg hosted a conference "Digital Finance in Africa's Future: Innovations and Implications." The aim of the conference was to bring together African and Africa-based innovators in the field of digital finance into conversation with academics with a special interest in the social, political and economic implications of the innovations.<sup>562</sup>

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<sup>558</sup> China steps up financial opening-up, Global Times 21 July 2019. Access date: 15 October 2019.

<http://www.globaltimes.cn/content/1158618.shtml>

<sup>559</sup> China to launch information platform for supply chain finance, Xinhua News Agency 12 August 2019. Access date: 10 October 2019. [http://www.xinhuanet.com/english/2019-08/12/c\\_138302979.htm](http://www.xinhuanet.com/english/2019-08/12/c_138302979.htm)

<sup>560</sup> PBC Releases FinTech Development Plan (2019—2021), the People's Bank of China 22 August 2019. Access date: 10 October 2019. <http://www.pbc.gov.cn/en/3688110/3688172/3880801/index.html>

<sup>561</sup> 2019 Financial Literacy Month Kicks Off, the People's Bank of China 28 August 2019. Access date: 10 October 2019. <http://www.pbc.gov.cn/en/3688241/3688711/3688726/3884654/index.html>

<sup>562</sup> Conference on "Digital Finance in Africa's Future: Innovations and Implications". Access date: 19 February 2019. <https://www.up.ac.za/media/shared/17/PdF%20Documents/digital-finance-in-africas-future-invitation-and-programme-new.zp159943.pdf>

On 6-13 July 2019, Stellenbosch University, a public entity, hosted a summer school on financial inclusion and its role in facilitation of economic growth with explicit attention to developing African countries. A one-week programme included interactive lectures delivered by the specialists from South Africa, the Netherlands (University of Groningen) and Canada (Université Laval). The course is based on three main topics: impact of financial inclusion interventions and efficient methods, financial innovation and cross-border banking, financial products for financial inclusion.<sup>563</sup>

South Africa has taken actions aimed at facilitating financial market integration through promoting the coverage of financial services but no actions of promotion of the network of financial institutions has been registered yet. Thus, it receives a score of 0.

*Analyst: Alexander Ignatov*

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<sup>563</sup> Summer School – Financial Inclusion and Sustainable Growth, 6 – 13 July 2019, South Africa. Access date: 11 September 2019. URL: <https://armacad.info/university-of-groningen--2019-01-25--summer-school-financial-inclusion-and-sustainable-growth-6-13-july-2019-south-africa>

## 8. Energy: Supply Source Diversification

“We reaffirm that the diversification of energy supply sources, including renewable and low carbon energy sources, investments in energy and energy infrastructure, energy industry and market development and intra-BRICS collaboration for access to primary energy sources will continue to underpin our energy security.”

*Johannesburg Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Brazil			+1
Russia			+1
India			+1
China			+1
South Africa			+1
Average		+1.00	

### Background

Diversification of energy supply sources lies at the core of the BRICS energy security agenda. The BRIC first discussed energy security issues at their first meeting in Yekaterinburg in 2009. The leaders committed to strengthen “coordination and cooperation among states in the energy field” as well as “support diversification of energy resources and supply.”<sup>564</sup> The commitment to promote energy security was reiterated at every subsequent summit, however was remarkably absent from the energy minister’s meeting in 2015, where energy efficiency came to the forefront of the agenda.<sup>565</sup>

### Commitment Features

With this commitment the BRICS members pledged to pursue energy security through the diversification of energy supply sources, providing such examples of the chosen course of action as promoting the development of renewable and low carbon energy, investing in energy infrastructure, energy industry and market development, as well as engaging in cooperation with other BRICS countries to expand access to primary energy sources.

For the purposes of the evaluation the commitment is split into two parts — the first deals with the measures to diversify energy supply sources, through means including, but not limited to, those named in the declaration; the second part involves engaging with other BRICS countries on the issues of energy security through participating in bilateral negotiations, multilateral for involving BRICS members, jointly carrying out projects, providing development assistance etc.

To fully comply with the commitment the BRICS member should take measures to expand access to energy sources and engage in collaboration collaborated with other BRICS countries on the issues of energy security.

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<sup>564</sup> Joint Statement of the BRIC Countries' Leaders, Yekaterinburg, Russia, 16 June 2009. Access date: 19 September 2018. <http://www.brics.utoronto.ca/docs/090616-leaders.html>.

<sup>565</sup> Memorandum of Mutual Understanding in Energy Saving and Energy Efficiency among the Ministries and Governmental Agencies of BRICS, Responsible for Energy and Energy Efficiency, 20 November 2015. Access date: 19 September 2018. <http://www.brics.utoronto.ca/docs/151120-energy.html>

## **Scoring Guidelines**

-1	Member did not take actions aimed at diversifying energy supply sources.
0	Member took action to expand access to energy sources but without engaging in collaboration with other BRICS countries.
+1	Member took action to expand access to energy sources and collaborated with other BRICS countries to this end.

Brazil: +1

Brazil has fully complied with the commitment to pursue energy security through the diversification of energy supply sources

On 30 August 2018, Brazil and China held the Photovoltaic Forum Brazil-China 2018 to exchange experience, as China has the largest photovoltaic and solar market in the world, while the Brazilian photovoltaic market will soon thrive thanks to several government promotion policies in recent years. The forum focused on research in the photovoltaic industry, policy guidelines, technological innovation, testing and standardization, training, and talent encouragement, with the aim of promoting international photovoltaic cooperation between Brazil and China.<sup>566</sup>

On 16 September 2018, at the session of the Russia-Brazil Intergovernmental Commission for Economic, Scientific and Technological Cooperation, a Memorandum of Understanding was signed between Nuclebrás Equipamentos Pesados S.A. — NUCLEP and ROSATOM América Latina, a subsidiary of Rosatom. The document celebrated the development of the strategic partnership in the nuclear energy sector between the parties, the memorandum considered not only industrial cooperation in possible construction of the nuclear power plant of production and storage in Brazil but also collaboration in other areas in wide range.<sup>567</sup>

On 2 October 2018, the National Bank for Economic and Social Development announced a permanent credit line of BRL2.2 billion that will boost investments in projects for the generation of renewable energy in Brazil. The target groups for credit offers are individuals and small businesses and media companies.<sup>568</sup>

On 30 October 2018, the Ministry of Environment and Natural Resources approved the project which requires electric and oil companies to invest 1% of the revenue in research of alternative energy sources.<sup>569</sup>

On 28 March 2019, Institute of Applied Economic Research (IPEA) hosted representatives of the Department of Energy of the Ministry of Foreign Affairs, the General Coordination of BRICS and the International Advisory Office of the Ministry of Mines and Energy for a workshop on energy

<sup>566</sup>Side-Event: Fórum fotovoltaico Brasil-China 2018. Access Date: 25 December 2018.<https://www.intersolar.net.br/pt/conference/session/side-event-forum-fotovoltaico-brasil-china-2018-2138.html>

<sup>567</sup> Brasil e Rússia assinam documento que reforça a cooperação no uso pacífico de energia nuclear. Access Date : 25 December 2018. <http://www.nuclep.gov.br/pt->

<sup>569</sup> Aprovado projeto que obriga setor elétrico e petroleiras a investirem em pesquisa de fontes alternativas de energia, 1 November 2018. Access Date: 25 December 2018.<https://www.ambienteenergia.com.br/index.php/2018/11/avanca-projeto-obriga-setor-eletroico-investir-pesquisa-fontes-alternativas-energia/35091>

cooperation between Brazil, Russia, India, China and South Africa. The meeting was the first in a series of six thematic events on BRIC cooperation to be held at IPEA, through the Directorate of Studies and Economic Relations and International Policy. The workshop focused on challenges of energy transition.<sup>570</sup>

Brazil has taken action to expand access to energy sources and collaborated with other BRICS countries to this end. Thus, it receives the score of +1.

*Analyst: Polina Petrova*

### **Russia: +1**

Russia has fully complied with the commitment to pursue energy security through the diversification of energy supply sources

On 16 September 2018, at the session of the Russia-Brazil Intergovernmental Commission for Economic, Scientific and Technological Cooperation, a Memorandum of Understanding was signed between Nuclebrás Equipamentos Pesados S.A. — NUCLEP and ROSATOM América Latina, a subsidiary of Rosatom. The document celebrated the development of the strategic partnership in the nuclear energy sector between the parties, the memorandum considered not only industrial cooperation in possible construction of the nuclear power plant of production and storage in Brazil but also collaboration in other areas in wide range.<sup>571</sup>

On 17 September 2018, the 15th meeting of the Intergovernmental Russian-Chinese Commission on energy cooperation took place, where the parties discussed the projects aimed at Russian gas supply via the Eastern and Western routes.<sup>572</sup>

On 21 November 2018, within the framework of the 15th meeting of the Joint Intergovernmental Committee on Trade and Economic Cooperation (ITEC) between the Russian Federation and South Africa two strategic bilateral treaties in the field of mining activities were signed.<sup>573</sup>

On 29 November 2018, the first Russian-Chinese energy business forum was held in Beijing. Representatives of about 90 companies from the energy, financial and IT sectors, political and public figures, diplomats and experts from Russia and China, as well as leading Chinese politicians and entrepreneurs took part in the Forum. The business agenda of the Forum featured panel discussions on key matters of the Russian-Chinese energy cooperation. Over 50 bilateral meetings were held and over 20 agreements between energy majors of the two countries were signed at the Forum.<sup>574</sup>

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<sup>570</sup> Cooperação em energia entre os Brics foi tema de workshop no Ipea, Institute of Applied Economic Research (IPEA) 28 March 2019. Access date: 14 October 2019.

[http://www.ipea.gov.br/portal/index.php?option=com\\_content&view=article&id=34659](http://www.ipea.gov.br/portal/index.php?option=com_content&view=article&id=34659)

<sup>571</sup> Brasil e Rússia assinam documento que reforça a cooperação no uso pacífico de energia nuclear. Access Date : 25 December 2018. [http://www.nuclep.gov.br/pt-](http://www.nuclep.gov.br/pt-br/brasilssiaassinanmdocumentoquereforcooperanousopacificodeenergianuclear)

[br/brasilssiaassinanmdocumentoquereforcooperanousopacificodeenergianuclear](http://www.nuclep.gov.br/pt-br/brasilssiaassinanmdocumentoquereforcooperanousopacificodeenergianuclear)

<sup>572</sup> About the 15th meeting of the Russian-Chinese Intergovernmental Commission on Energy, Russian Embassy in China 19 September 2018. Access date: 18 January 2019. <http://www.russia.org.cn/ru/news/o-15-m-zasedaniia-mezhpravitelstvennoj-rossijsko-kitajskoj-komissii-po-energetike/>.

<sup>573</sup> On the margins of the 15th SMPK meeting on trade and economic cooperation between the Russian Federation and the Republic of South Africa, two strategic bilateral documents in the field of subsoil use were signed, Ministry of Natural Resources and Environment of the Russian Federation 22 November 2019. Access date: 10 January 2019.[http://www.mnr.gov.ru/press/news/na\\_polyakh\\_15\\_ogo\\_zasedaniya\\_smpk\\_po\\_torgovo\\_ekonomiceskому\\_sotrudnichestvu\\_mezhdunarodnymu\\_sotrudnichestvu\\_mezhdu\\_rf\\_i\\_yuar\\_podpis/](http://www.mnr.gov.ru/press/news/na_polyakh_15_ogo_zasedaniya_smpk_po_torgovo_ekonomiceskому_sotrudnichestvu_mezhdunarodnymu_sotrudnichestvu_mezhdu_rf_i_yuar_podpis/).

<sup>574</sup> First Russian-Chinese Energy Business Forum Closes in Beijing, Rosneft 29 November 2018. Access date: 6 February 2019. <https://www.rosneft.com/press/releases/item/193107/>

On 26 December 2018, the Russian Ambassador to China Andrey Denisov announced that Russia is considering boosting exports of liquefied natural gas (LNG) to China. The LNG would come from its largest island, Sakhalin, to fulfil Beijing's growing energy demand.<sup>575</sup>

On 28 February 2019, the Russian Ministry of Energy published a Decree on adopting the Program for the development of the United Energy System of Russia for 2019-2025. The Decree stipulates the plans to expand renewable energy production by constructing wind power plants and solar power plants totaling 3154 megawatt and 1248 megawatt of energy output, respectively, over the projected period.<sup>576</sup>

On 4 September 2019, Prime Minister Narendra Modi and Russian President Vladimir Putin at their annual summit decided to widen their trade, investment, energy and ICT partnership including five year roadmap for hydro-carbon sector comprising joint development of oil and gas fields in Russia and India, including offshore fields.<sup>577</sup>

Russia has taken action to expand access to energy sources and collaborated with other BRICS countries to this end. Thus, it receives the score of +1.

*Analyst: Tatyana Tsarenkova*

#### **India: +1**

India has fully complied with the commitment on diversification of energy supply sources.

On 1 October 2018, Indian Minister of Petroleum and Natural Gas and Skill Development and Entrepreneurship Shri Dharmendra Pradhan together with government-owned Oil Marketing Companies launched an initiative aimed at setting up Compressed Bio-Gas (CBG) production plants and make it available in the market for use in automotive fuels. Under the initiative, 5000 CBG plants are expected to be set up in next five years.<sup>578</sup>

On 5 October 2018, India issued a Joint Statement with Russian Federation during a visit of The President of Russian Federation. In the Statement the two counterparts reassured the importance of closer cooperation on renewable energy sources and energy efficiency. They expressed the support of the expansion of the dialogue between PJSC NOVATEK and Indian energy companies and welcomed the joint intention to develop cooperation in the field of liquefied natural gas. The two sides also stressed the importance of Russia-India's civil nuclear cooperation for India's energy security.<sup>579</sup>

On 6 February 2019, the Cabinet Committee on Economic Affairs chaired by Prime Minister Shri Narendra Modi approved the Ministry of New and Renewable Energy's suggestion on the

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<sup>575</sup> Russia's Sakhalin Island could provide China with more energy, Hellenic Shipping News 28 December 2018. Access date: 10 January 2019. <https://www.hellenicshippingnews.com/russias-sakhalin-island-could-provide-china-with-more-energy/>.

<sup>576</sup> Decree on adopting the Program for the development of the United Energy System of Russia for 2019-2025, Russian Ministry of Energy 28 February 2019. Access date: 14 October 2019. <https://minenergo.gov.ru/view-pdf/14828/97146>.

<sup>577</sup> Narendra Modi-Vladimir Putin's push for eco-energy-ICT partnership; joint development of oil fields, Economic Times 4 September 2019. Access date: 15 October 2019. <https://economictimes.indiatimes.com/news/politics-and-nation/india-russia-sign-roadmap-for-cooperation-in-hydrocarbon-sector/articleshow/70979250.cms?from=mdr>

<sup>578</sup> Petroleum Minister launches SATAT initiative to promote Compressed Bio-Gas as an alternative, green transport fuel , Press Information Bureau, Government of India 1 October 2018. Access Date: 26 February 2019. .

<sup>579</sup> India-Russia Joint Statement during visit of President of Russia to India, Press Information Bureau, Government of India 5 October 2018. Access Date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=183982>.

implementation of the Central Public Sector Undertaking Scheme Phase-II intended for setting up 12,000 MW grid-connected Solar Photovoltaic Power Projects worth about INR480 billion.<sup>580</sup>

On 7 February 2019, Expert Committee chaired by the Secretary of the Ministry of New and Renewable Energy proposed the draft of the National Energy Storage Mission aimed at developing energy storage technologies for managing the generation of the renewable energy sources, including solar power.<sup>581</sup>

On 19 February 2019, the Cabinet Committee on Economic Affairs chaired by Prime Minister Shri Narendra Modi approved the Phase-II of Grid Connected Rooftop Solar Programme targeted at achieving cumulative capacity of 40,000 MW from Rooftop Solar Projects by 2022. The funding approved for this programme amounts to about INR111 billion.<sup>582</sup>

In April 2019, India and China put in place a mechanism to figure out ways to fight crude oil volatility and teamed up for other energy issues in global markets. The two countries set up a joint working group that would identify subjects of cooperation in the energy sector, including ways to rein in global oil prices.<sup>583</sup>

On 4 September 2019, Prime Minister Narendra Modi and Russian President Vladimir Putin at their annual summit decided to widen their trade, investment, energy and ICT partnership including five year roadmap for hydro-carbon sector comprising joint development of oil and gas fields in Russia and India, including offshore fields.<sup>584</sup>

India has taken action to expand access to energy sources and collaborated with other BRICS countries to this end. Thus, it receives the score of +1.

*Analysts: Yekaterina Litvinsera and Alina Kachanova*

### **China: +1**

China has fully complied with the commitment to pursue energy security through the diversification of energy supply sources

On 30 August 2018, Brazil and China held the Photovoltaic Forum Brazil-China 2018 to exchange experience, as China has the largest photovoltaic and solar market in the world, while the Brazilian photovoltaic market will soon thrive thanks to several government promotion policies in recent years. The forum focused on research in the photovoltaic industry, policy guidelines, technological

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<sup>580</sup> CCEA approves proposal for setting up 12,000 MW grid-connected Solar Photovoltaic (PV) Power Projects, Press Information Bureau, Government of India 6 February 2019. Access Date: 26 February 2019. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>

<sup>581</sup> Government of India has been making concerted efforts for Developing Energy Storage Technologies, Press Information Bureau, Government of India 7 February 2019. Access Date: 26 February 2019. <http://pib.nic.in/PressReleaselframePage.aspx?PRID=1563308>.

<sup>582</sup> Cabinet approves Phase-II of Grid Connected Rooftop Solar Programme for achieving cumulative capacity of 40,000 MW from Rooftop Solar Projects by the year 2022, Press Information Bureau, Government of India Cabinet 19 February. Access Date: 26 February 2019. <http://pib.nic.in/newsite/pmreleases.aspx?mincode=28>.

<sup>583</sup> India, China set up joint working group to tackle crude volatility, Economic Times 1 May 2019. Access date: 15 October 2019. <https://economictimes.indiatimes.com/industry/energy/oil-gas/india-china-set-up-joint-working-group-to-tackle-crude-volatility/articleshow/69120462.cms?from=mdr>

<sup>584</sup> Narendra Modi-Vladimir Putin's push for eco-energy-ICT partnership; joint development of oil fields, Economic Times 4 September 2019. Access date: 15 October 2019. <https://economictimes.indiatimes.com/news/politics-and-nation/india-russia-sign-roadmap-for-cooperation-in-hydrocarbon-sector/articleshow/70979250.cms?from=mdr>

innovation, testing and standardization, training, and talent encouragement, with the aim of promoting international photovoltaic cooperation between Brazil and China.<sup>585</sup>

On 30 October 2018, National Energy Administration of National Development and Reform Commission published Clean energy consumption plan (2018-2020), which includes expanding the use of clean energy, accelerating electricity market reform, improvement of grid power structures and other measures.<sup>586</sup>

On 18 December 2018, the Chinese Government achieved a New Development Bank's approval of its project of Guangdong Yangjiang Shapa Offshore Wind Power Project, the creation of which will expand the access of the Chinese population to electricity, as it's will be able to develop 300 MW of offshore wind capacity in Yangjiang's shallow water.<sup>587</sup>

On 29 November 2018, the first Russian-Chinese energy business forum was held in Beijing. Representatives of about 90 companies from the energy, financial and information technology sectors, political and public figures, diplomats and experts from Russia and China, as well as leading Chinese politicians and entrepreneurs took part in the Forum. The business agenda of the Forum featured panel discussions on key matters of the Russian-Chinese energy cooperation. Over 50 bilateral meetings were held and over 20 agreements between energy majors of the two countries were signed at the Forum.<sup>588</sup>

On 9 January 2019, Chief Investment Officer of The China-led Asian Infrastructure Investment Bank (AIIB) D.J. Pandian announced that AIIB will commit half a billion dollars to bonds that will fund sustainable energy and transportation programs. The new bond program — named the 'AIIB Asia ESG Enhanced Credit Managed Portfolio' — will incentivize infrastructure firms in the private-sector to pursue clean and sustainable projects through buying up USD500 million of corporate debt allocated to such deals.<sup>589</sup>

In April 2019, India and China put in place a mechanism to figure out ways to fight crude oil volatility and teamed up for other energy issues in global markets. The two countries set up a joint working group that would identify subjects of cooperation in the energy sector, including ways to rein in global oil prices.<sup>590</sup>

On 7 June 2019, China and Russia vowed to further energy cooperation. Describing energy cooperation as the "most significant, most fruitful and most wide-ranging" area of bilateral

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<sup>585</sup> Side-Event: Fórum fotovoltaico Brasil-China 2018. Access Date: 25 December 2018. <https://www.intersolar.net.br/pt/conference/session/side-event-forum-fotovoltaico-brasil-china-2018-2138.html>

<sup>586</sup> Clean energy consumption plan (2018-2020), China Energy Portal, 30 October 2018. Access date: 20 December 2018. <https://chinaenergyportal.org/en/clean-energy-consumption-plan-2018-2020/?tpedit=1>

<sup>587</sup> NDB Board of Directors meets in Shanghai, approves 4 projects with loans aggregating to USD 1560 million, New Development Bank, 18 December 2018. Access date: 20 December 2018. [https://www.ndb.int/press\\_release/ndb-board-directors-meets-shanghai-approves-4-projects-loans-aggregating-usd-1560-million/](https://www.ndb.int/press_release/ndb-board-directors-meets-shanghai-approves-4-projects-loans-aggregating-usd-1560-million/)

<sup>588</sup> First Russian-Chinese Energy Business Forum Closes in Beijing, Rosneft 29 November 2018. Access date: 6 February 2019. <https://www.rosneft.com/press/releases/item/193107/>

<sup>589</sup> Asian Infrastructure Investment Bank plans \$500 million for new bond program, China Economic Review 10 January 2019. Access date: 10 January 2019. <https://chinaeconomicreview.com/asian-infrastructure-investment-bank-plans-500-million-for-new-bond-program/>

<sup>590</sup> India, China set up joint working group to tackle crude volatility, Economic Times 1 May 2019. Access date: 15 October 2019. <https://economictimes.indiatimes.com/industry/energy/oil-gas/india-china-set-up-joint-working-group-to-tackle-crude-volatility/articleshow/69120462.cms?from=mdr>

cooperation, Xi said the two sides' close coordination has played a positive role in safeguarding the fair, just, reasonable and orderly international energy order.<sup>591</sup>

On 11 October 2019, Chinese Premier Li Keqiang presided a meeting of the national energy committee aimed to discuss diversification of energy supply sources. He claimed that in order to further diversify the energy supply, the country would strengthen domestic oil and gas exploration, deepen international oil and gas cooperation, as well as foster the development of renewable energy such as hydropower and wind power. He also claimed that market-oriented reforms in the energy sector should be further promoted. <sup>592</sup>

On 12 October 2019, China shared its experience in the renewable energy sector with its neighbor Nepal through international exchange and technological transfer.<sup>593</sup>

China has taken action to expand access to energy sources and collaborated with other BRICS countries to this end. Thus, it receives the score of +1.

*Analyst: Dmitriy Zits*

### **South Africa: +1**

South Africa has fully complied with the commitment to pursue energy security through the diversification of energy supply sources.

On 6 August 2018, the New Development Bank approved a loan of USD300 million for energy projects in South Africa. By implementation of these projects, the government of South Africa plans to diversify the country's energy mix in order to lower reliance on fossil fuels such as coal.<sup>594</sup>

On 21 November 2018 within the framework of the 15th meeting of the Joint Intergovernmental Committee on Trade and Economic Cooperation between the Russian Federation and South Africa two strategic bilateral treaties in the field of mining activities were signed.<sup>595</sup>

On 28 November 2018, the Parliament of South African Republic adopted an update to the Integrated Resource Plan. The new version of the plan includes special provisions on respond to uncertainties in future energy demand, including "exploring the feasibility of new and agile approaches to energy provisions in this rapidly changing energy environment."<sup>596</sup>

On 31 March 2019, the New Development Bank approved three project from South Africa aimed at the country's transition to sustainable and low-carbon economy. The total sum of allocated funds

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<sup>591</sup> China, Russia vow to further energy cooperation, Xinhua 2 September 2019. Access date: 15 October 2019. [http://www.xinhuanet.com/english/2019-06/08/c\\_138125165.htm](http://www.xinhuanet.com/english/2019-06/08/c_138125165.htm)

<sup>592</sup> China vows to upgrade energy production, consumption, ensure energy security, Xinhua News Agency 11 October 2019. Access date: 10 October 2019. [http://www.xinhuanet.com/english/2019-10/11/c\\_138464713.htm](http://www.xinhuanet.com/english/2019-10/11/c_138464713.htm)

<sup>593</sup> China sees closer cooperation with Nepal in renewable energy, Xinhua 12 October 2019. Access date: 15 October 2019. [http://www.xinhuanet.com/english/2019-10/12/c\\_138466943.htm](http://www.xinhuanet.com/english/2019-10/12/c_138466943.htm)

<sup>594</sup> BRICS bank approved loan for South African renewable energy project. Access date: 21 February 2019. <https://averda.co.za/news/brics-bank-approves-south-african-loan/>

<sup>595</sup> On the margins of the 15th SMPK meeting on trade and economic cooperation between the Russian Federation and the Republic of South Africa, two strategic bilateral documents in the field of subsoil use were signed, Ministry of Natural Resources and Environment of the Russian Federation 22 November 2019. Access date: 10 January 2019. [http://www.mnr.gov.ru/press/news/na\\_polyakh\\_15\\_ogo\\_zasedaniya\\_smpk\\_po\\_torgovo\\_ekonomiceskому\\_sotrudничеству\\_mezhdu\\_rf\\_i\\_yuar\\_podpis/](http://www.mnr.gov.ru/press/news/na_polyakh_15_ogo_zasedaniya_smpk_po_torgovo_ekonomiceskому_sotrudничеству_mezhdu_rf_i_yuar_podpis/>.).

<sup>596</sup> Parliament adopts draft Integrated Resource Plan 2018. Access date: 21 February 2019. <https://www.gov.za/speeches/energy-committee-adopts-draft-integrated-resource-plan-2018-28-nov-2018-0000>

reached USD 1.4 bln that will also form financial basis for projects contributing to construction of a thermal power plant and water transfer infrastructure.<sup>597</sup>

On 11 July 2019, Samson Gwede Mantashe, Minister of Mineral Resources and Energy of South Africa, in his speech on the occasion of the budget vote announced the plan to implement importation of LNG with Coega Industrial Development Zone as the hub. This marks an important step for further implementation of energy-diversification policies of the Republic.<sup>598</sup>

On 25 July 2019, Transnet, a state-owned South African logistics firm, announced its intention to launch a tender for South Africa's first port terminal for LNG import that is planned to be launched by 2024 in Richard Bay. The project is expected to receive the World Bank's International Finance Corp \$2 million financial support.<sup>599</sup>

South Africa has taken action to expand access to energy sources and collaborated with other BRICS countries to this end. Thus, it receives the score of +1.

*Analyst: Alexander Ignatov*

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<sup>597</sup> NDB Ramps Up Operations In South Africa, Supporting Sustainable Infrastructure Development, New Development Bank. Access date: 14 October 2019. URL: [https://www.ndb.int/press\\_release/ndb-ramps-operations-south-africa-supporting-sustainable-infrastructure-development/](https://www.ndb.int/press_release/ndb-ramps-operations-south-africa-supporting-sustainable-infrastructure-development/)

<sup>598</sup> Speech by the Minister of mineral resources and energy, honorable Samson Gwede Mantashe, on the occasion of the budget vote 26 in the old assembly chamber, Parliament of the Republic of South Africa 11<sup>th</sup> July 2019, 14h00, Department of Mineral Resources of the Republic of South Africa. Access date: 14 October 2019. URL: <https://www.dmr.gov.za/news-room/post/1807/speech-by-the-minister-of-mineral-resources-and-energy-honourable-samson-gwede-mantashe-on-the-occasion-of-the-budget-vote-26-in-the-old-assembly-chamber-parliament-of-the-republic-of-south-africa-11th-july-2019-14h00>

<sup>599</sup> South Africa sees new LNG import terminal ready by 2024, 25 July 2019, Reuters. Access date: 14 October 2019. URL: <https://ru.reuters.com/article/idINL8N24Q5AI>

## 9. Macroeconomic Policy: Global Value Chains

We encourage measures that support greater participation, value addition and upward mobility in Global Value Chains for our firms, particularly in industry and agriculture, especially Micro, Small and Medium Enterprises (MSMEs), including through the preservation of policy space to promote industrial development

*2018 BRICS Leaders Johannesburg Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Brazil			+1
Russia			+1
India			+1
China			+1
South Africa			+1
Average		+1.00	

### Background

BRICS members have increasingly delved into economic and industrial issue areas, with a specific focus on strengthening industrial cooperation. They have strived to ensure sustainable infrastructure and policies that allow small, micro- and medium-sized enterprises (SMMEs) to make use of new opportunities brought about by the New Industrial Revolution.

Initially, industrialization as a BRICS issue area was mostly discussed in relation to Africa. During the Sanya Summit in 2011, industrial cooperation first appeared on the BRICS agenda, as BRICS leaders vowed to support infrastructure development in Africa through the New Partnership for Africa's Development (NEPAD).<sup>600</sup>

In 2012, the Delhi declaration stated “we agree to build upon our synergies and to work together to intensify trade and investment flows among our countries to advance our respective industrial development and employment objectives.”

In 2013, at the fifth BRICS summit in Durban, discussions among the BRICS leaders took place under the theme of “BRICS and Africa: Partnership for Development, Integration, and Industrialization.”<sup>601</sup> The eThekwin Declaration stated: “within the framework of the New Partnership for Africa’s Development (NEPAD), we support African countries in their industrialization process through stimulating foreign direct investment, knowledge exchange, capacity-building and diversification of imports from Africa.”

In 2014, the sixth BRICS summit occurred in Fortaleza, Brazil. The main theme was to establish inclusive macroeconomic and social policies in individual BRICS members. The summit also called for greater cooperation with the G20, in order to create sustainable growth, protection and preservation.

In October 2015, a meeting between BRICS industry ministers reaffirmed their commitment to upholding the 2030 Agenda for Sustainable Development, especially endorsing Sustainable

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<sup>600</sup> Sanya Declaration, BRICS Information Centre (Sanya) 14 April 2011. Access Date: 16 November 2017.

<http://www.brics.utoronto.ca/docs/110414-leaders.html>

<sup>601</sup> BRICS and Africa: Partnership for Development, Integration and Industrialization, BRICS Information Centre (Durban) 27 March 2013. Access Date: 16 November 2017. <http://www.brics.utoronto.ca/docs/130327-statement.html>

Development Goal 9, which highlights industrial cooperation.<sup>602</sup> These commitments have created initiative to promote further industrial cooperation and growth.

In the 2015 Ufa Declaration, BRICS leaders stated, “in this connection, we reaffirm the unique mandate of the United Nations Industrial Development Organization (UNIDO) to promote and accelerate inclusive and sustainable industrial development.”

In 2016, the Goa Declaration emphasized “the importance of enhancing intra-BRICS cooperation in the industrial sector, including through the BRICS Industry Ministers Meetings, in order to contribute to the accelerated and sustainable economic growth, the strengthening of comprehensive industrial ties, the promotion of innovation as well as job creation, and improvement of the quality of life of people in BRICS countries.” BRICS leaders also congratulated UNIDO “for the 50th anniversary of its foundation and recall its unique mandate to promote and accelerate inclusive and sustainable industrial development and its contribution in promoting industrialization in Africa.”

On 29 July 2017, prior to the Xiamen Summit, the second meeting between BRICS industry ministers took place in Hangzhou, China. The outcome of this meeting was the Cooperation Action Plan, which was designed to improve cooperation between MSMEs among BRICS members. The Xiamen Summit also marks the first mention of the “New Industrial Revolution,” after a focus on this term during China’s G20 Hangzhou presidency in 2016.

In Johannesburg BRICS leaders pledged to encourage measures that support greater participation, value addition and upward mobility in Global Value Chains for member states’ firms, particularly in industry and agriculture, with emphasis on MSMEs.

### **Commitment Features**

This commitment requires taking steps to support greater participation, value addition and upward mobility in global value chains for member states’ firms in general and for their MSMEs in particular. It consists of two parts: encouraging greater inclusion of national firms into GVCs in general and making special efforts to support MSMEs.

The term “value chain” refers to the full range of value-adding activities bringing a product or service through different stages of production. This includes design and development, input of raw materials and other factors, selection and assembly, physical transformation and processing, acquisition of required services such as transport and finance, and response to consumer demand. A GVC refers to a value chain that operates in more than one national economy.

First part of the commitment implies conducting policies which aim at greater inclusion of all their firms in GVCs.

To comply with the second part of the commitment BRICS member can promote policies and undertake measures like:

- Encourage small and medium-sized enterprises (SMEs) to apply new and cost-effective technologies and business models
- Encourage the establishment of partnerships between SMEs, between SMEs and big transnational companies
- Discuss supporting policies that are conducive to SMEs financing, and foster an ever improving financing environment

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<sup>602</sup> Industrial Cooperation of the BRICS Countries: New Opportunities for Growth, BRICS Information Centre (Moscow) 20 October 2015. Access Date: 16 November 2017. <http://www.brics.utoronto.ca/docs/151020-industry.html>

- Encourage SMEs of BRICS countries to participate in expositions and fairs held in BRICS countries, strengthen project match-making and economic and trade exchanges.<sup>603</sup>

Also, governments can establish programs to promote awareness and understanding of the benefits of MSMEs integration into regional and global value chains, work with multinational corporations to develop more specific capacity building programs for local MSMEs, including through the establishment of specialized institutions, develop policy tools providing incentives for and easing MSME involvement in regional and global value chains, sign agreements with countries of the same macro-region, and take actions within regional organizations they are members of aimed at MSMEs support.

### Scoring Guidelines

-1	BRICS member did not take any measures to encourage the incorporation of its firms into GVCs.
0	BRICS member took measures to encourage the incorporation of its firms into GVCs but failed to develop policies directly targeting MSMEs
+1	BRICS member took measures to encourage the incorporation of its firms into GVCs including special measures aimed at MSMEs

### Brazil: +1

Brazil has fully complied with the commitment to support greater participation, value addition and upward mobility in global value chains (GVCs) for their firms, particularly in industry and agriculture, especially micro, small and medium enterprises (MSMEs)

On 14 December 2018, the Council of the Superintendence of the Manaus Free Trade Zone announced the launch of 15 industrial and service projects with total investments of USD 77,8 million. These projects, according to the Brazilian Minister of Industry, Foreign Trade and Services, are aimed, among other things, at insertion in global value chains.<sup>604</sup>

On 9 November 2018, Brazil's Executive Branch published Decree 9,557/2018, containing the regulations to implement Provisional Measure 843/2018, which sets forth the requirements for the sale of vehicles in Brazil and creates the "Route 2030" Regime. Along with developments of the automobile industry, the main goal of the Decree was to integrate the Brazilian automotive industry into global value chains.<sup>605</sup>

On 14 May 2019, the Undersecretary for the Development of Micro and Small Enterprises, Entrepreneurship and Crafts (Sempe), of the Ministry of Economy, held the first Plenary Meeting of the Permanent Forum of Micro and Small Enterprises, at the Headquarters of Banco do Brasil, in Brasilia. The main objective of the Forum is to promote the strengthening of Brazilian micro and small companies. The Forum is intended to promote discussions with the purpose of forwarding to

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<sup>603</sup> Action Plan for Deepening Industrial Cooperation among BRICS Countries, Hangzhou, 29 July 2017. Access Date: 5 November 2017. <http://www.brics.utoronto.ca/docs/170729-industry.html>

<sup>604</sup> Conselho de Administração da Suframa aprova 15 projetos de investimentos industriais e de serviços, 14 December 2018. Access Data : 25 December 2018. <http://www.mdic.gov.br/index.php/noticias/3738-conselho-de-administracao-da-suframa-aprova-15-projetos-de-investimentos-industriais-e-de-servicos>

<sup>605</sup> Brazil publishes regulations for "Route 2030," the new regime applicable to the automotive industry, 21 November 2018. Access Date: 25 December 2018. <https://www.ey.com/gl/en/services/tax/international-tax/alert--brazil-publishes-regulations-for-route-2030-the-new-regime-applicable-to-the-automotive-industry>

the Secretariat proposals aimed at ensuring the favored and differentiated treatment to be given to micro and small businesses.<sup>606</sup>

On 20 August 2019, Brazil's Ministry of Economy and the British Foreign Ministry signed Memorandum of Understanding for trade facilitation cooperation projects under the Prosperity Fund of the United Kingdom. Brazil will receive up to £ 20 million from the fund to develop projects in four areas: insertion of micro, small and medium enterprises into the Global Value Chains; greater efficiency of ports; support of Brazil's accession to the Organization for Economic Cooperation and Development (OECD); the Intellectual Property Regulation projects.<sup>607</sup>

On 25 September 2019, Federal Government launched a Plan to leverage Industry 4.0. The plan will be valid for the period from 2019 to 2022 and should be evaluated and reviewed periodically. The action plan seeks to leverage the use of concepts and practices related to industry 4.0 in Brazil and thereby increase the competitiveness and productivity of domestic companies. Other objectives are to improve the country's insertion in global value chains and introduce the use of advanced manufacturing technologies in small and medium enterprises.<sup>608</sup>

Brazil has taken measures took measures to encourage the incorporation of its firms into GVCs including special measures aimed at MSMEs. Thus, it receives the score of +1.

*Analyst: Polina Petrova*

#### **Russia: +1**

Russia has fully complied with the commitment to support greater participation, value addition and upward mobility in global value chains (GVCs) for their firms, particularly in industry and agriculture, especially micro, small and medium enterprises (MSMEs)

On 3 September 2018, the Russian Government approved the statute of the National Project for the Support of SMEs [Small and Medium-Sized Enterprises], which will be launched in 2019. This National Project carries a customer-oriented approach and provides for meeting most business needs. The emphasis has been placed on information resources, due to which an entrepreneur can learn about state support measures and get access to educational projects to improve financial literacy.<sup>609</sup>

On 23 October 2018, the President of Russia Vladimir Putin during his speech at the Small Business as a National Project forum's plenary session claimed that Russia needs to allow small companies' products to access the Russian market more easily and noted the effective work carried out by the Corporation for Developing Small and Medium Businesses.<sup>610</sup>

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<sup>606</sup> Fortalecimento das micro e pequenas empresas é tema de Fórum em Brasília, Brazil's Ministry of Economy 14 May 2019. Access date: 14 October 2019. <http://www.economia.gov.br/noticias/2019/05/fortalecimento-das-micro-e-pequenas-empresas-e-tema-de-forum-em-brasilia>

<sup>607</sup> Brasil e Reino Unido assinam cooperação em facilitação de comércio, Brazil's Ministry of Economy 20 August 2019. Access date: 14 October 2019. <http://www.economia.gov.br/noticias/2019/08/brasil-e-reino-unido-assinam-cooperacao-em-facilitacao-de-comercio>

<sup>608</sup> Governo federal lança plano para alavancar indústria 4.0, Brazil's Ministry of Economy 15 September 2019. Access date: 14 October 2019. <http://www.economia.gov.br/noticias/2019/09/governo-federal-lanca-plano-para-alavancar-industria-4.0>

<sup>609</sup> National project "SMEs and support for individual entrepreneurial initiatives", Fedederal Portal of SME 25 September 2018. Access date: 12 January 2019. <http://smb.gov.ru/mediacenter/bisnessnews/18004.html>.

<sup>610</sup> Small Business as a National Project forum, President of Russia 23 October 2018. Access date: 24.01.2019. <http://en.kremlin.ru/events/president/news/58879>.

On 3 November 2018, the Minister of Economic Development of the Russian Federation Maxim Oreshkin held a meeting leading to the decision to start the procedure for assessing the impact of Russian laws on the business environment.<sup>611</sup>

On 17 January 2019, the Russian Government approved a plan to improve business environment, prepared by the Ministry of Economic Development. It includes proposals from companies, officials and regions, which were discussed in expert groups.<sup>612</sup>

On 25 February 2019, Russian Ministry of Economic Development launched a program of concessional lending for small and medium-sized enterprises as part of the National Project for the Support of SMEs. Entrepreneurs will be able to get loans from authorized banks at a rate of no more than 8.5%. In total, the program included 70 banks from 29 Russian regions.<sup>613</sup>

On 27 June 2019, more than 20 additional banks were authorized by the Russian Ministry of Economic Development to provide concessional lending for small and medium-sized enterprises in the framework of the National Project for the Support of SMEs.<sup>614</sup>

On 5 July 2019, Russian Ministry of Economic Development launched the selection of educational programs on entrepreneurship. Educational and training programs are aimed at entrepreneurs and individuals who wish to engage in entrepreneurial activity and will be held as part of the national project “Small and Medium-Sized Enterprises and Support of Individual Entrepreneurship Initiatives”.<sup>615</sup>

Russia has taken measures to encourage the incorporation of its firms into GVCs including special measures aimed at MSMEs. Thus, it receives the score of +1.

*Analyst: Tatyana Tsarenkova*

### **India: +1**

India has fully complied with the commitment to support greater participation, value addition and upward mobility in global value chains (GVCs) for its firms, particularly in industry and agriculture, especially micro, small and medium enterprises (MSMEs).

On 2 November 2018, Indian Prime Minister Shri Narendra Modi launched a programme to support MSMEs. The programme included 12 key initiatives in such areas as access to credit, access to market, technology upgrades, ease of doing business, and sense of security for employees. The concrete actions included: the launch of the 59 minute loan portal to provide access to credit for MSMEs; 2% interest subvention for all goods and services tax portal registered MSMEs; imposition of an obligation for all companies with a turnover of more than INR 5 billion to join Trade Receivables e-Discounting System portal; creation of tool rooms across the country in order to

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<sup>611</sup> Post Factum Assessment: What Laws Uncomfortable for Business Can be Changed?, MSP Corporation 31 October 2018. Access date: 18 January 2019. [https://corpmsp.ru/pres\\_slujba/news\\_msp/otsenka\\_postfaktum\\_kakie\\_neudobnye\\_dlya\\_biznesa\\_zakony\\_mogut\\_izmenit/?year=2018](https://corpmsp.ru/pres_slujba/news_msp/otsenka_postfaktum_kakie_neudobnye_dlya_biznesa_zakony_mogut_izmenit/?year=2018).

<sup>612</sup> Ministry of Economic Development selected 150 ideas to improve business conditions, MSP Corporation 18 January 2019. Access date: 20 January 2019. [https://corpmsp.ru/pres\\_slujba/news\\_msp/minekonomrazvitiya\\_otobralo\\_150\\_idey\\_dlya\\_uluchsheniya\\_usloviy\\_vedeniya\\_biznesa/](https://corpmsp.ru/pres_slujba/news_msp/minekonomrazvitiya_otobralo_150_idey_dlya_uluchsheniya_usloviy_vedeniya_biznesa/).

<sup>613</sup> The Ministry of Economic Development of Russia approved 70 banks for providing soft loans to SMEs at a rate of 8.5%, Federal Portal of SMEs 25 February 2019. Access date: 14 October 2019. <http://smb.gov.ru/mediacenter/bisnessnews/18039.html>.

<sup>614</sup> 22 additional banks have joined the program of concessional lending to SMEs at a rate of 8.5%, Federal Portal of SMEs 27 June 2019. Access date: 14 October 2019. <http://smb.gov.ru/mediacenter/bisnessnews/18048.html>.

<sup>615</sup> Ministry of Economic Development announces the selection of educational programs on entrepreneurship, Ministry of Economic Development of Russia 5 July 2019. Access date: 14 October 2019. <http://economy.gov.ru/minec/about/structure/depinvest/2019070502>.

provide technological opportunities for MSME; and simplification of government procedures related to small and medium-sized enterprises (SMEs).<sup>616</sup>

On 26 November 2018, India and Russia signed the Joint Statement following the results of the first India-Russia Strategic Economic Dialogue which took place in St. Petersburg on 25-26 November 2018. Particularly, the Statement includes the section on Small and Medium Business Support. It is stated that the Joint Working Group should be created for exchanging best practices on Small and Medium business support. They also highlighted the desirability of establishing the SME information portal as an instrument for supporting SMEs as it could provide dissemination of relevant information in the sector, identification of partners, access to credits, technologies and markets. The counterparts agreed to share the calendar of exhibitions and business events dedicated to SMEs, and outlined the need to conclude bilateral agreements in order to overcome customs related barriers and to protect investments made by small and medium enterprises.<sup>617</sup>

On 6 December 2018, Indian Government adopted the Agriculture Export Policy which aimed, inter alia, at increasing agricultural products export. One of the main goals of the policy is to enable farmers to get involved into the global market and GVCs.<sup>618</sup>

On 28 February 2019, Indian Ministry of Micro, Small and Medium Enterprises organized a programme on Technology Support and Outreach. The main goal of the programme was to provide MSMEs with information about latest technological innovation and advice on using it for increasing their global competitiveness.<sup>619</sup>

On 4 July 2019, Ministry of MSME is implementing Scheme of Fund for Regeneration of Traditional Industries (SFURTI) for making traditional industries more productive and competitive by organizing the traditional industries and artisans into clusters. The Scheme envisages providing need-based assistance for replacement of production equipment, setting up of common facility centres (CFC), product development, quality improvement, improved marketing, training and capacity building etc. NBM has provision for following interventions which may encourage international market share: Establishment of Micro/Medium Processing Units, Promotion of Bamboo Mandi and e-trading, Organizing workshop/seminar/training at International/ National/ State/ District levels and Participation in domestic trade fairs/ International Trade Fairs etc.<sup>620</sup>

On 24 September 2019, Union Minister for Micro, Small and Medium Enterprises and Road Transport & Highways Shri Nitin Gadkari inaugurated the 16th Global SME Business Summit 2019 in New Delhi. He said that reducing the cost of capital, logistics and power are crucial for making the Indian MSME sector globally competitive. The Minister said his Government's target is to increase MSME's present share of 29 percent of GDP to 50 percent in next five years and raise its export

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<sup>616</sup> PM launches historic Support and Outreach Initiative for MSME Sector, Press Information Bureau, Government of India 2 November 2018. Access Date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=184578>

<sup>617</sup> Joint Statement following the results of the 1st India-Russia Strategic Economic Dialogue, Press Information Bureau, Government of India 5 February 2019. Access Date: 26 February 2019.

<http://pib.nic.in/PressReleaselframePage.aspx?PRID=1562710>

<sup>618</sup> Efforts to Increase Export of Agricultural Products , Press Information Bureau, Government of India 12 December 2018. Access Date: 26 February 2019. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=186305>.

<sup>619</sup> MSME Ministry's Technology Support and Outreach Programme, Press Information Bureau, Government of India 27 February 2019. Access Date: 26 February 2019. <http://pib.nic.in/Pressreleaseshare.aspx?PRID=1566489>.

<sup>620</sup> Encouraging Small and Medium Enterprises in International Market, Ministry of Micro, Small & Medium Enterprises of India 4 July 2019. Access date: 15 October 2019. <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1577126>

contribution from 49 percent to 60 percent . To achieve these targets logistics, power and capital cost will need to be reduced.<sup>621</sup>

India has taken measures took measures to encourage the incorporation of its firms into GVCs including special measures aimed at MSMEs. Thus, it receives the score of +1.

*Analysts: Yekaterina Litvintseva and Alina Kachanova*

### **China: +1**

China has fully complied with the commitment to support greater participation, value addition and upward mobility in global value chains (GVCs) for their firms, particularly in industry and agriculture, especially micro, small and medium enterprises (MSMEs)

On 6 January 2019, Chinese Minister of Science and Technology Wang Zhigang informed at the 12th China Industry-University-Research Cooperation Innovation Conference that China encourages private participation in national sci-tech projects that China will speed up the establishment of an enterprise-led, market-oriented technological innovation system, where industry, university and research institutes will be deeply integrated. The country will create a fair, competitive market and innovation environment for private enterprises China will support private enterprises in increasing investment in science and technology with the use of subsidies and other policy tools. It will also support competent private enterprises in their exploration of frontier areas and strengthen financial support for enterprises with high growth potential.<sup>622</sup>

On 9 November 2018, China's Cabinet unveiled more financial support for private and small firms. The central bank promised targeted measures to help cash-starved private firms, which account for 60% of China's gross domestic product and 80% of urban jobs. China's major commercial banks should lower their average lending rate in the fourth quarter by one percentage point for small firms from the first quarter.<sup>623</sup>

On 13 November 2018, CEO of the Industrial and Commercial Bank of China Zheng Bin revealed that the Indian unit of the Industrial and Commercial Bank of China set up USD200 million fund for investing in the promising Indian MSMEs and ventures.<sup>624</sup>

On 15 February 2019, China published a guideline on strengthening financial support to private entities. The guideline was issued by the General Office of the Communist Party of China Central Committee and the General Office of the State Council. According to the document, differentiated monetary and credit policies should be adopted, and financial institutions are encouraged to lend more loans to private enterprises and small and micro businesses.<sup>625</sup>

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<sup>621</sup> Shri Nitin Gadkari inaugurates 16th Global SME Business Summit, Ministry of Micro, Small & Medium Enterprises of India 24 September 2019. Access date: 15 October 2019.

<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1586027>

<sup>622</sup> China encourages private participation in national sci-tech projects, China News Service 7 January 2019. Access Date: 7 January 2019. <http://www.ecns.cn/news/2019-01-07/detail-ifzcitha9951500.shtml>

<sup>623</sup> China unveils more funding support for private firms, Business Times 9 November 2018. Access date: 6 February 2019. <https://www.businesstimes.com.sg/government-economy/china-unveils-more-funding-support-for-private-firms>

<sup>624</sup> Chinese bank sets up \$200 million fund for investing in Indian MSMEs, Economic Times 13 November 2018. Access date: 6 February 2019. <https://economictimes.indiatimes.com/small-biz/sme-sector/chinese-bank-sets-up-200-million-fund-for-investing-in-indian-msmes/articleshow/66604244.cms>

<sup>625</sup> China issues guideline on reinforced financial support to private enterprises, The State Council of The People's Republic of China, 15 February 2019. Access date: 18 February 2019.  
[http://english.gov.cn/policies/latest\\_releases/2019/02/15/content\\_281476522759292.htm](http://english.gov.cn/policies/latest_releases/2019/02/15/content_281476522759292.htm)

On 7 April 2019, General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly released a guideline on the development of small and medium-sized enterprises. The guideline specified the problems that SMEs have to face and suggested certain steps to solve it, particularly by broadening market access, simplifying administrative procedures and strengthening market supervision and regulation. Measures to be launched include cutting targeted reserve requirement ratio for inclusive financing, creating more financing channels and encouraging SMEs to receive financing on the “new third board.” While readjusting tax policies to support the financing of SMEs and reducing their tax burdens, the guideline aims to increase financial support for innovation and entrepreneurship and consolidate the protection of intellectual property.<sup>626</sup>

On 15 April 2019, a special fund established to support the country’s small and medium-sized enterprises allocated more than 6 billion yuan of investments in 222 SME projects mainly focusing on projects concerning high-end manufacturing, new energy, new materials and biological medicine.<sup>627</sup>

On 17 April 2019, the State Council announced new measures to enhance financing support for MSME. The work is planned to be done to ensure increasing financing at lower costs for small and micro-sized businesses.<sup>628</sup>

On 7 May 2019, China announced a targeted cut in reserve requirement ratio (RRR) in its latest attempt of using structural tools rather than an across-the-board stimulus to help cash-strained small businesses.<sup>629</sup>

On 24 June 2019, China issued a white paper on financial services provided for small and medium-sized enterprises. The paper outlines that China’s policy framework for beefing up financial support for the SMEs has been improved via implementing targeted cut in reserve requirement ratio and medium-term lending facility, as well as increasing support for re-lending and rediscount.<sup>630</sup>

On 26 June 2019, the State Council announced that it is planned to further cut the real interest rate on loans to micro and small enterprises and take measures regarding financial services for private, micro and small firms. Banks will be urged to lower financing costs for micro and small businesses.<sup>631</sup>

China has taken measures to encourage the incorporation of its firms into GVCs including special measures aimed at MSMEs. Thus, it receives the score of +1.

*Analyst: Dmitriy Zits*

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<sup>626</sup> China moves to boost SME growth, Xinhua News Agency 7 April 2019. Access date: 10 October 2019.

[http://www.xinhuanet.com/english/2019-04/07/c\\_137957920.htm](http://www.xinhuanet.com/english/2019-04/07/c_137957920.htm)

<sup>627</sup> China's special fund invests over 6 bln yuan in SME projects, Xinhua News Agency 15 April 2019. Access date: 10 October 2019. [http://www.xinhuanet.com/english/2019-04/15/c\\_137978997.htm](http://www.xinhuanet.com/english/2019-04/15/c_137978997.htm)

<sup>628</sup> China to boost financing for small and micro-sized businesses, Xinhua News Agency 17 April 2019. Access date: 10 October 2019. [http://www.xinhuanet.com/english/2019-04/17/c\\_137985346.htm](http://www.xinhuanet.com/english/2019-04/17/c_137985346.htm)

<sup>629</sup> Economic Watch: China steps up support for SMEs via structural tools, Xinhua 7 May 2019. Access date: 16 October 2019. [http://www.xinhuanet.com/english/2019-05/07/c\\_138040669.htm](http://www.xinhuanet.com/english/2019-05/07/c_138040669.htm)

<sup>630</sup> China releases white paper on financial services for small businesses, Xinhua 24 June 2019. Access date: 16 October 2019. [http://www.xinhuanet.com/english/2019-06/24/c\\_138170226.htm](http://www.xinhuanet.com/english/2019-06/24/c_138170226.htm)

<sup>631</sup> China to deepen market-oriented interest rate reform, lower interest rate for smaller firms' financing, Xinhua News Agency 26 June 2019. Access date: 10 October 2019. [http://www.xinhuanet.com/english/2019-06/27/c\\_138176310.htm](http://www.xinhuanet.com/english/2019-06/27/c_138176310.htm)

### **South Africa: +1**

South Africa has fully complied with the commitment to support greater participation, value addition and upward mobility in global value chains (GVCs) for their firms, particularly in industry and agriculture, especially micro, small and medium enterprises (MSMEs).

On 14 December 2018, the Government of South Africa launched a new fund to support small business start-ups. The fund will focus on investing projects which address South Africa's socioeconomic challenges through technologically advanced value propositions which are aligned to the Fourth Industrial Revolution.<sup>632</sup>

On 8 February 2019, the Government of South Africa announced incubation program for small business. The program aims at providing necessary services including access to technologies to support local businesses especially in rural areas.<sup>633</sup>

On 29 March 2019, President Cyril Ramaphosa launched a fund for promotion of development of SMEs and startups. The total sum of committed funding reached \$50 mln. The fund aims at providing support for 10 significant black businesses and 200 SMEs over next five years.<sup>634</sup>

South Africa has taken measures took measures to encourage the incorporation of its firms into GVCs including special measures aimed at MSMEs. Thus, it receives the score of +1.

*Analyst: Alexander Ignatov*

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<sup>632</sup> SA Government Launches R2 Billion Fund For Small Business Startups. Access date: 21 February 2019.

<https://techfinancials.co.za/2018/12/14/sa-government-launches-r2-billion-fund-for-small-business-startups/>

<sup>633</sup> South Africa announces incubation programme for small business. Access date: 28 February 2019.

<https://africabusinesscommunities.com/news/south-africa-announces-incubation-programme-for-small-businesses/>

<sup>634</sup> South Africa Launches \$95m Fund To Grow Small Businesses, 29 March 2019, Forbes. Access date: 14 October 2019.

URL: <https://www.forbes.com/sites/tobyshapshak/2019/03/29/south-africa-launches-95m-fund-to-grow-small-businesses/#3f2454354850>

## 10. Regional Security: Syria

2018-41 We reaffirm our commitment for a political resolution of the conflict in Syria, through an inclusive “Syrian-led, Syrian-owned” political process that safeguards the state sovereignty, independence and territorial integrity of Syria, in pursuance of United Nations Security Council Resolution 2254 (2015) and taking into account the result of the Congress of the Syrian National Dialogue in Sochi.

*10th BRICS Summit Johannesburg Declaration*

### Assessment

	No Compliance	Partial Compliance	Full Compliance
Brazil	-1		
Russia			+1
India		0	
China		0	
South Africa	-1		
Average		-0.20	

### Background

The Syrian Arab Republic and its people face severe political, security and socioeconomic challenges due to ongoing regional instability, terrorist activity and lack of governmental capacity to tackle the current crisis. Since 2011, Syria have been plunged into severe interior armed conflict grew out of discontent of the local people with Bashar al-Assad policy amid a heavy drought of 2006-2011. The main frontline lies between the north-east regions of the country controlled by the Syrian opposition and the territories remain under control of the government. Since 2015, Russia has been conducting airstrikes against numerous terrorist groups namely the Islamic State of Iraq and the Levant (ISIS), Al-Nusra Front, Jabhat Fateh al-Sham and others; Turkey, Israel, Iran and the United States are also involved into conflict directly or indirectly.

For many years the situation in Syria has been on agenda of the United Nations Security Council (UNSC). In 2015 the UNSC unanimously adopted a roadmap for a peace process in Syria (Resolution 2254 (2015).<sup>635</sup> The UNSC expressed support for free and fair elections and acknowledged the link between a ceasefire and a parallel political process based on decisions made in Geneva in 2012.<sup>636</sup> The parties concerned expressed their support for peaceful settlement of the conflict and endorsed the role played by the United Nations Supervision Mission in Syria, established by the UNSC Resolution 2043 in April 2012.<sup>637</sup> Russia as party involved in the conflict took steps toward initiation of a dialog among hostiles and hosted the multilateral meeting in Sochi in January 2018. The results of an intensive negotiation process were summarized in the final statement of the Congress of the Syrian national dialog.<sup>638</sup> In the final document, the participants pointed out 12 principles of national reconciliation in Syria, including full respect of the sovereignty, independence, territorial integrity and unity of the country; the right of the Syrian people to determine the future of their country; support of democratic processes, etc.

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<sup>635</sup> Resolution 2254 (2015) adopted by the Security Council at its 7588<sup>th</sup> meeting, on 18 December 2015. URL: [http://undocs.org/S/RES/2254\(2015\)](http://undocs.org/S/RES/2254(2015))

<sup>636</sup> Action Group for Syria Final Communiqué 30.06.2012. URL: <https://www.un.org/News/dh/infocus/Syria/FinalCommuniqueActionGroupforSyria.pdf>

<sup>637</sup> United Nations Supervision Mission in Syria. URL: <https://peacekeeping.un.org/mission/past/unsmis/>

<sup>638</sup> Final statement of the Congress of the Syrian national dialog. URL: [http://www.mid.ru/en/foreign\\_policy/news-/asset\\_publisher/cKNonkJE02Bw/content/id/3046246](http://www.mid.ru/en/foreign_policy/news-/asset_publisher/cKNonkJE02Bw/content/id/3046246)

For the first time the BRICS leaders addressed the situation in Syria in 2012, expressing their concern and support for a “Syrian-led inclusive political process” and encouraging “the Syrian government and all sections of Syrian society to demonstrate the political will to initiate ‘an inclusive political’ process.”<sup>639</sup> In 2013 in Durban, South Africa, the BRICS leaders adopted the eThekini Declaration in which they condemned “the increasing violations of human rights and of international humanitarian law” and again stated that “a Syrian-led political process leading to a transition can be achieved only through broad national dialogue that meets the legitimate aspirations of all sections of Syrian society and respect for Syrian independence, territorial integrity and sovereignty.”<sup>640</sup> The commitment to support a Syrian-led peaceful reconciliation process was successively reiterated in 2014 in Fortaleza Declaration.<sup>641</sup> In 2015 in Ufa Declaration the leaders also expressed firm denunciation of “any use of toxic chemicals as a weapon” and commended the “outcome of setting international control over the Syrian arsenals of chemical weapons.”<sup>642</sup> The same year the BRICS deputy foreign ministers adopted a joint communiqué on the situation in the Middle East and North Africa in which the parties condemned terrorism in all forms and urged the hostile forces in Syria to combine efforts in achieving politico-diplomatic resolution of the crisis.<sup>643</sup> Successive presidencies of India in 2016 and China in 2017 again reiterated the parties’ commitment to support “Syrian-led, Syrian-owned” political process which “safeguards the sovereignty, independence and territorial integrity of Syria.”<sup>644,645</sup>

### **Commitment Features**

Syria now faces the challenges that are closely interconnected and do not possess the capabilities to tackle them successfully. To overcome crisis, the country needs massive support in economic, social, security and other spheres. The current problems of Syria fall within the local government’s jurisdiction, that is why the BRICS countries’ support for Syria in its fight against terrorism should be aimed at providing necessary resources, dedicated to capacity-building.

The commitment requires the BRICS members to provide capacity-building assistance to Syria in socioeconomic development, security and good governance that will contribute to national reconciliation, fight against terrorism, security facilitation, promotion of independent political and economic course.

Advise support and assistance for Syria may include support for national reconciliation, electoral process, constitutional review and implementation of constitutional provisions, resolution of disputed internal boundaries, regional dialogue on border security, energy and refugees, planning, funding and implementing reintegration programs for former members of illegal armed groups, and initial planning for the conduct of a comprehensive census.

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<sup>639</sup>Fourth BRICS Summit: Delhi Declaration 29 March 2012. URL:

<http://www.ranepa.ru/images/media/brics/inpresidency1/Fourth%20BRICS%20Summit.pdf>

<sup>640</sup>Fifth BRICS Summit eThekini Declaration. URL: <http://www.ranepa.ru/images/media/brics/sapresidency1/130327-statement.pdf>

<sup>641</sup>Fortaleza Declaration 15 July 2014. URL: [http://www.ranepa.ru/images/media/brics/brazpresidency2/6th\\_BRICS\\_Summit\\_Fortaleza\\_Declaration\\_and\\_Action\\_Plan.pdf](http://www.ranepa.ru/images/media/brics/brazpresidency2/6th_BRICS_Summit_Fortaleza_Declaration_and_Action_Plan.pdf)

<sup>642</sup>VII BRICS Summit Ufa Declaration 9 July 2015. URL:

[http://www.ranepa.ru/images/media/brics/ruspresidency2/Declaration\\_eng.pdf](http://www.ranepa.ru/images/media/brics/ruspresidency2/Declaration_eng.pdf)

<sup>643</sup> Consultative meeting of the BRICS countries on situation in the Middle East (in Russian).

<http://www.ranepa.ru/images/media/brics/ruspresidency2/%D0%B1%D0%BB%D0%B8%D0%B6%20%D0%B2%D0%BE%D1%81%D1%82%D0%BE%D0%BA.pdf>

<sup>644</sup>Goa Declaration 16 October 2016.

<http://www.ranepa.ru/images/media/brics/indianpresidency2/Goa%20Declaration.pdf>

<sup>645</sup>BRICS Leaders Xiamen Declaration 4 September 2017.

<http://www.ranepa.ru/images/media/brics/2017/mEsqRkedzqYLDwxo6AbZnCkmAo9Xta3d.pdf>

Actions of BRICS countries in support for Syria may be aimed at improving coordination and delivery of humanitarian assistance, establishing cooperation with donors and international financial institutions, coordinating and implementing programs to provide essential services for people of Syria, reforming the economy, building capacity and improving conditions for sustainable development, developing effective civil, social and essential services, and supporting contributions by UN agencies, funds and programs. Further assistance in protecting human rights and reforming judicial and legal systems to maintain the rule of law in the country also might be counted as a valid action.

### Scoring Guidelines

-1	BRICS member does not provide assistance to Syria in addressing security, socioeconomic development and governance challenges.
0	BRICS member provides assistance to Syria in addressing only one or two of the following challenges: security, socioeconomic development or good governance.
+1	BRICS member provides assistance to Syria in addressing all of the following challenges: security, socioeconomic development and good governance.

### Brazil: -1

Brazil has not complied with the commitment to provide capacity-building assistance to Syria in socioeconomic development, security and good governance.

On 22 November 2018, the President of the Committee on Foreign Relations and National Defense Fernando Collor declared that Brazil must support all efforts for a peaceful, concerted, independent and Syrian United Nations decision. “Only in this way will it be possible to allow the end of the war, the national reconciliation and the restoration of the country,” he said.<sup>646</sup>

On 5 December 2018, Brazilian Ambassador to Syria Fabio Pitaluga stated that Brazil is ready to provide support in machinery, equipment and new technologies. In addition to these areas, Pitaluga also mentioned about responsibilities to help in areas of mining, electricity, health, construction, tourism, farming and everyday product industry. One of the ambassador’s priorities was to reactivate the Brazil-Syria Business Council, which had ceased operations due to the war.<sup>647</sup>

On 17 September 2019, representatives of Brazil’s Ministry of Foreign Affairs took part in the opening of the trade fair “Rebuild Syria Exhibition 2019”.<sup>648</sup>

On 11 October 2019, the Brazilian government released an official statement expressing its worry over an escalation of tensions in Syria. It reaffirmed that “the only way to end the conflict in Syria is by political means, with full respect for the UN Charter, international law, Syrian unity, sovereignty and territorial integrity, and in strict compliance with the relevant resolutions of the Security Council.”<sup>649</sup>

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<sup>646</sup> Collor defende solução pacífica para conflito na Síria, 22 November 2018. Access Date: 25 December 2018.

<https://www12.senado.leg.br/noticias/materias/2018/11/22/collor-defende-solucao-pacifica-para-conflito-na-siria>

<sup>647</sup> Reconstrução da Síria custará US\$ 400 bi e Brasil pode participar, aponta diplomata, 5 December 2018. Access Date: 25 December 2018. <https://www12.senado.leg.br/noticias/materias/2018/12/05/reconstrucao-da-siria-custara-us-400-bi-e-brasil-pode-participar-aponta-diplomata>

<sup>648</sup> Calendário de eventos entre 13 e 20 de Setembro de 2019, Brazil’s Ministry of Foreign Affairs 13 September 2019. Access date: 14 October 2019. <http://www.itamaraty.gov.br/pt-BR/notas-a-imprensa/20851-calendario-de-eventos-entre-13-e-20-de-setembro-de-2019>

<sup>649</sup> Brazil expresses concern over escalation of tensions in Syria, Xinhua 12 October 2019. Access date: 14 October 2019. [http://www.xinhuanet.com/english/2019-10/12/c\\_138466268.htm](http://www.xinhuanet.com/english/2019-10/12/c_138466268.htm)

Although Brazil expressed its readiness to help Syria in several sectors of the economy, no concrete actions were taken during compliance period. Thus it receives a score of -1.

*Analyst: Polina Petrova*

**Russia: +1**

Russia has fully complied with the commitment to provide capacity-building assistance to Syria in socioeconomic development, security and good governance

On 7 September 2018, more than 10 tons of humanitarian aid from Russia were delivered to residents of the cities of the Syrian Arab Republic freed from terrorists.<sup>650</sup>

On 28 September 2018, the Russian government allocated USD3 million to the United Nations fund for the technical assistance of Syria in the restoration and development of agriculture in the country.<sup>651</sup>

On 7 November 2018, the representative of the Ministry of Energy Konstantin Abramov said that in the near future Russia will participate in the implementation of measures to restore and modernize Syria's gas transmission networks and oil pipelines, which will provide employment for a significant number of returnees and create conditions for a rapid restoration of peaceful life in the country.<sup>652</sup>

On 12-14 December 2018, Russia and Syria in the framework of the meeting of the intergovernmental commission in Damascus discussed the possibility of switching to mutual settlements in the national currencies of countries.<sup>653</sup>

On 14 December 2018, the Russian Federation and Syria concluded a number of commercial agreements in the field of hydrocarbon exploration and production, aimed at restoring the Syrian economy.<sup>654</sup>

On 14 March 2019, Russian Deputy Minister of Foreign Affairs S.V. Vershinin stated, that Russia continued to provide comprehensive assistance to Syria, rebuilding "more than 800 educational and around 150 healthcare facilities, more than 1000 km of roads, and 1000 km of power lines, as well as 130 water supply facilities". He also stated that Russian healthcare workers assisted 105 thousands Syrian citizens.<sup>655</sup>

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<sup>650</sup> More than ten tons of humanitarian aid has been delivered to Syria by Russian Armed Forces, TV Zvezda 7 September 2018. Access date: 21 January 2019. <https://tvzvezda.ru/news/forces/content/201809070457-qtkk.htm>.

<sup>651</sup> Circular of the Russian Government №2065-p, The official internet-portal of legal information 28 September 2018. Access date: 21 January 2019. <http://www.pravo.gov.ru/laws/acts/77/50485453451088.html>.

<sup>652</sup> Russia assists Syria in restoring its energy complex, RIA Novosti 7 November 2018. Access date: 21 January 2019. <https://ria.ru/20181107/1532298867.html>.

<sup>653</sup> Russia and Syria are discussing the transition to mutual settlements in national currencies, RIA Novosti 13 December 2018. Access date: 21 January 2019. <https://ria.ru/20181213/1547906255.html>.

<sup>654</sup> Russia and Syria sign agreements on hydrocarbon exploration and production, TASS 14 December 2018. Access date: 21 January 2019. <https://tass.ru/ekonomika/5913714>.

<sup>655</sup> Statement of Deputy Minister of Foreign Affairs of the Russian Federation Amb. Sergey Vershinin at the ministerial meeting of the conference "Supporting the future of Syria and the region", Brussels, 14 March 2019, Russian Foreign Ministry 15 March 2019. Access date: 14 October 2019. [http://www.mid.ru/web/guest/foreign\\_policy/international\\_safety/conflicts/-/asset\\_publisher/xIEMTQ3OvzcA/content/id/3571339?p\\_p\\_id=101\\_INSTANCE\\_xIEMTQ3OvzcA&\\_101\\_INSTANCE\\_xIEMTQ3OvzcA\\_languagId=en\\_GB](http://www.mid.ru/web/guest/foreign_policy/international_safety/conflicts/-/asset_publisher/xIEMTQ3OvzcA/content/id/3571339?p_p_id=101_INSTANCE_xIEMTQ3OvzcA&_101_INSTANCE_xIEMTQ3OvzcA_languagId=en_GB)

On 1 February 2019, it was announced that the Russian Center for Reconciliation of the Opposing Sides in Syria provided 500 food packages (more than 2 tonnes) for primary school students in the city of Al-Suqaylabiyah (Syria).<sup>656</sup>

On 15 September 2019, the interagency delegation from Russia held a meeting with the Syrian president Bashar al-Assad. The discussion centered on the issues of political reconciliation, including the formation of the Constitutional Committee in accordance with the decisions of the Congress for the Syrian National Dialogue and the United Nations Resolution 2254. The participants also discussed further measures to fight terrorism and ensure stability and security within Syria, as well as humanitarian issues arising from the conflict.<sup>657</sup>

Russia provided assistance to Syria in addressing socioeconomic challenges, promoted security and good governance. Thus, it receives a score of +1.

*Analyst: Tatyana Tsarenkova*

### **India: 0**

India has partially complied with the commitment to provide capacity-building assistance to Syria in socioeconomic development, security and good governance.

In September 2018, India's Foreign minister Sushma Swaraj led a delegation to Syria to develop a counter-terror partnership and work on launching the reconstruction work in the country. Also Indian companies were invited to an industrial fair that is being hosted in Damascus.<sup>658</sup>

On 27 February 2019, the Foreign Ministers of the Russian Federation, the Republic of India and the People's Republic of China held their 16th meeting in Zhejiang, China. The Ministers stressed that a political and diplomatic solution, is the only reliable way to solve the Syrian issue. They reaffirmed support for the Geneva peace talks, the role of the United Nations as the main channel of mediation and the implementation of UN Security Council (UNSC) Resolution 2254. The Ministers welcomed the efforts of the Astana guarantors for improvement of the situation in Syria and the results of the fourth trilateral meeting in Sochi in February 2019. The Ministers hoped to see that the Constitutional Committee starts its work as early as possible, and that a political solution that accommodates the legitimate concerns of all parties could be found through an inclusive "Syrian-led and Syrian-owned" political process. The Ministers called for enhanced coordination to fight against all terrorist organizations in Syria including those listed by the UNSC. The Ministers stressed the urgent need for socioeconomic reconstruction in Syria and called upon the international community to provide necessary assistance in that regard.<sup>659</sup>

On 11 October 2019, India expressed its deeply concern "over the "unilateral military offensive" by Turkey in northeastern Syria and asserted that the action can undermine stability in the region as well as the fight against terrorism. India also called upon Turkey to exercise restraint and respect the

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<sup>656</sup> Russian military delivers humanitarian aid to Syria, TASS 1 February 2019. Access date: 14 October 2019. <https://tass.com/world/1042775>.

<sup>657</sup> On the meeting of the Russian interagency delegation with President B.Assad, Russian Foreign Affairs Ministry 15 September 2019. Access date: 14 October 2019. [http://www.mid.ru/web/guest/foreign\\_policy/international\\_safety/conflicts/-/asset\\_publisher/xIEMTQ3OvzcA/content/id/3788053](http://www.mid.ru/web/guest/foreign_policy/international_safety/conflicts/-/asset_publisher/xIEMTQ3OvzcA/content/id/3788053)

<sup>658</sup> Swaraj to lead a team to Damascus next week, Economic Times 5 September 2018. Access date: 15 October 2019. <https://economictimes.indiatimes.com/news/politics-and-nation/swaraj-to-lead-a-team-to-damascus-next-week/articleshow/65679052.cms?from=mdr>

<sup>659</sup> Joint Communiqué of the 16th Meeting of the Foreign Ministers of the Russian Federation, the Republic of India and the People's Republic of China <https://www.mea.gov.in/bilateral-documents.htm?dtl/31097/Joint+Communiqué+of+the+16th+Meeting+of+the+Foreign+Ministers+of+the+Russian+Federation+and+the+Republic+of+India+and+the+People's+Republic+of+China>

sovereignty and territorial integrity of Syria and urged the peaceful settlement of all issues through dialogue and discussion.<sup>660</sup>

India provided assistance to Syria in addressing socioeconomic challenges and steps to promoted security, however no actions on promoting good governance were taken. Thus, it receives a score of 0.

*Analyst: Alina Kachanova*

### **China: 0**

China has partially complied with the commitment to provide capacity-building assistance to Syria in socioeconomic development, security and good governance

On 5-15 September 2018, China sent a delegation of the 200 companies, most of which are state-owned enterprises looking to tap in Syria and build a working relationship in its reconstruction process, to the 60th Damascus International Fair. This will help to deepen China's cooperation and participation in the Syrian economic reconstruction.<sup>661,662</sup>

In October 2018, China exported 800 electrical power transformers with various capacities and 60 kilometer long electric cables to Lattakia asas. Head of the Electricity Directorate in Lattakia, Nazih Maarouf, pointed out this support is well timed given its importance during the stage of reconstruction and rehabilitation.<sup>663</sup>

On 20 June 2019, China donated 100 buses to support public transportation in Syria. The Chinese Embassy in Syria said in a statement that the buses will help enhance the public transportation in Syrian cities, which will improve the daily lives of the Syrian people.<sup>664</sup>

On 2 September 2019, Chinese companies took part in the trade fair held in Damascus. At the Chinese pavilion in the Damascus' fair, several companies showcased their products, which are mainly related to the reconstruction process in Syria.<sup>665</sup>

China provided assistance to Syria in addressing socioeconomic challenges but did not take any steps to promote security and good governance. Thus, it receives a score of 0.

*Analyst: Dmitriy Zits*

### **South Africa: -1**

South Africa has not complied with the commitment to provide capacity-building assistance to Syria in socioeconomic development, security and good governance.

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<sup>660</sup> "Deeply Concerned" India Urges Turkey For Restraint In Syria, New Delhi Television 11 October 2019. Access date: 15 October 2019. <https://www.ndtv.com/india-news/india-slams-turkey-for-its-military-offensive-in-syria-2114932>

<sup>661</sup> Over 200 Companies from China Take Part In 60th Damascus International Fair – Organizer, UrduPoint 5 September 2018. Access date: 5 February 2019. <https://www.urdupoint.com/en/business/over-200-companies-from-china-take-part-in-60-427027.html>

<sup>662</sup> US withdrawal from Syria leaves China's plans for investment up in the air, analysts say, South China Morning Post 29 December 2018. Access date: 5 February 2019. <https://www.scmp.com/news/china/article/2179957/us-withdrawal-syria-leaves-chinas-plans-investment-air-analysts-say>

<sup>663</sup> 800 electrical power transformers arrived in Lattakia as a grant from China, Syrian Arab News Agency 10 October 2018. Access date: 5 February 2019. <https://www.sana.sy/en/?p=148524>

<sup>664</sup> China donates 100 buses to support public transportation in Syria, Xinhua 20 June 2019. Access date: 15 October 2019. [http://www.xinhuanet.com/english/2019-06/20/c\\_138159276.htm](http://www.xinhuanet.com/english/2019-06/20/c_138159276.htm)

<sup>665</sup> Chinese companies see promising market in Syria during Damascus int'l fair, Xinhua 2 September 2019. Access date: 15 October 2019. [http://www.xinhuanet.com/english/2019-09/03/c\\_138359432.htm](http://www.xinhuanet.com/english/2019-09/03/c_138359432.htm)

On 26 February 2019, during his speech at the UN Security Council meeting South African representative and ambassador Jerry Matthews Matjila said that “the humanitarian crisis in Syria has particularly impacted women and children, as well as people with disabilities.” Calling for the full implementation of resolution 2449 (2018), he also welcomed the successful humanitarian operation undertaken in Rukban. He welcomed the de-escalation agreement between Turkey and the Russian Federation, which has averted catastrophic humanitarian consequences.<sup>666</sup>

On 2 April 2019, South Africa expressed its concerns by the fact of unilateral recognition of the Golan Heights as part of Israel’s territory by the US. This territory has been remaining under Israel’s control since 1967 when it was seized from Syria during the Six-Day War. By doing so, South Africa demonstrates its advocacy for territorial integrity of Syria and the international rule of law.<sup>667</sup>

On 28 May 2019, Jerry Matjila, Permanent Representative of South Africa to the United Nations, made a statement on humanitarian situation in Syria during a meeting of the Security Council. In his speech, Mr. Matjila expressed deepest concern about current situation in northwest regions of the country suffering from heavy clashes between belligerent parties and growing violence.<sup>668</sup>

Although South Africa expressed its concerns about situation in Syria, supported all UN Security Council resolutions and called other countries to help resolve the conflict, no concrete actions were registered during compliance period.

South Africa has not complied with the commitment to provide capacity-building assistance to Syria in socioeconomic development, security and good governance. Thus, it receives a score of -1.

*Analyst: Alexander Ignator*

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<sup>666</sup> Amid Staggering Levels of Need, Aid Delivery in Syria Crucial to Prevent Humanitarian Catastrophe, Relief Coordinator Warns Security Council, United Nations 26 February 2019. Access date: 1 May 2019.

<https://www.un.org/press/en/2019/sc13718.doc.htm>

<sup>667</sup> South Africa joins the international community in expressing concerns on the United States (US) Administration's decision to recognise Israel's sovereignty over the Syrian Heights. Access date: 14 October 2019.

<http://www.dirco.gov.za/docs/2019/isra0402.htm>

<sup>668</sup> Statement by Ambassador Jerry Matjila, Permanent Representative of South Africa to the United Nations, during the Security Council Meeting on the humanitarian situation in Syria, 28 May 2019. Access date: 14 October 2019.

<http://www.dirco.gov.za/docs/speeches/2019/matj0528.htm>