**WHY DOES BRICS MATTER?**

The Leaders of Brazil, Russia, India, China and South Africa represent over 3 billion people or 42% of the world population. They contribute to 20% of global GDP and are responsible for over 40% of global CO2 emissions and for 65% of global coal use. Global climate security critically depends on the BRICS, especially China and India, developing and transitioning away from fossil fuels.

As a new and more fragmented geopolitical order arise, both developed and emerging powers will need to re-assess their relations with traditional and non-traditional allies. China’s choices will increasingly influence the dynamics, scope and ambitions of bilateral, regional and multilateral relations, the more so as the US redesign its trade and security approach and disengage from rules-based cooperation.

**THE 10TH BRICS SUMMIT**

The 2018 BRICS Summit coincides with the celebration of the centenary of Nelson Mandela, a moment freighted with symbolism against the backdrop of an enhancing sense of disunity and lack of agency in the world. Former President Obama will deliver a speech at the Nelson Mandela Annual Lecture on 17 July and it is expected that this will be his most important speech since leaving the White House and one that will set the tone for his post-presidency.

The Summit will take place in Johannesburg, South Africa, on 25-27 July and is complemented by a rich calendar of events throughout the rest of the year. In particular, the South African ambition is to strengthen the BRICS cooperation in Africa through inclusive growth and advancing the 4th industrial revolution “as a means of leapfrogging development stages and bridging the digital divide”.

Other new areas of cooperation proposed by South Africa are the establishment of a Working Group on Peacekeeping, a Vaccine Research Centre, a Gender and Women’s Forum and a Tourism Track of Cooperation, the latter one being a potential new lever for increasing climate awareness, thus leading to more ambitious climate policy in some countries (see for example in Kenya and Tanzania).

The last day of the Summit will be dedicated to two key outreach activities:

- The **BRICS-Africa Dialogue** together with the Leaders of Rwanda, Senegal, Gabon, Uganda, Ethiopia, Togo, Burundi, Namibia, Angola, and the Chair of the African Union Commission Mr Moussa Faki Mahamat.

- The **BRICS Plus**, a platform for greater interaction with emerging markets and developing countries, together with the Leaders of Argentina, Indonesia, Egypt, Jamaica, Turkey and the UNSG Antonio Guterres.

The BRICS Summit is the first major international meeting taking place after the G7 debacle and a week after the EU-China Summit. The outcome of the Summit will be a starting point to inform and shape BRICS positions in the run up to the Argentinean G20 Summit. While there could be a risk of resurging Global North-GLOBAL South divide this year, expectations are that Leaders will focus on
reaffirming the principles of multilateralism and international cooperation, anchored in the CBDR principle, against the backdrop of rising geopolitical tensions while moving towards stronger South-South cooperation.

Whether BRICS could deliver meaningful cooperation on climate is doubtful given the regressive stance of Russia which is blocking deeper and more ambitious action.

While climate change is not explicitly on the agenda, South Africa is committed to “programmatic continuity” with previous Summits. Last year in China, the BRICS Leaders committed to enhance cooperation on climate change and to expand green finance, and reaffirmed the full implementation of Paris (after Trump’s withdrawal announcement). Climate change was also mentioned in relation to adaptation to agriculture and cooperation on space activities and technologies. The expectation is that climate change will feature as reaffirmation of the Paris Agreement under the CBDR principle and encouraging the finalisation of the Paris work programme at COP24. On energy, however, the BRICS remain bound to the “effective use” of fossil fuels and there is little expectation that this will change whilst recognising the need of transitioning away from them.

IN-COUNTRY INTELLIGENCE

- **South Africa** – The Chair will look for supporting language on the Paris Agreement and COP24 but on energy there will be a push from Russia not to demonise oil and gas. Beyond climate and energy, a bigger focus will be on the Agenda 2030, the 4th Industrial Revolution, inter-BRICS and people-to-people cooperation, and trade. The first BRICS MoU on Environmental Cooperation might be signed by Leaders – following up the BRICS Environment Meeting in May – with focus on circular and ocean economy and tech cooperation with financial support of the New Development Bank (or BRICS Bank). Other important issues will be water security & safety and disaster management. A focus of the financial track will be dedicated to infrastructure investment.

- **China** – The key priority for China will be to push back against the trade war initiated by Trump and to reaffirm the principles of multilateralism and cooperation. It will be supportive of Paris language but will likely remain vague on energy. Similar to last year, China is keen to broaden the basis of developing countries participating at the BRICS Summit to ensure high representation and legitimacy. A key question is how the BRICS format reflects the position of the BASIC group (active within the UNFCCC negotiations). 2018 is a key year for Sino-African relations as the China-Africa Summit will take place in September. On his way to Johannesburg, Xi Jinping will stop by Senegal and Rwanda. The Shanghai-based BRICS Bank is losing momentum despite a good start: it acknowledges the Paris Agreement, has funded 22 projects (worth $5 billion) none of which so far is fossil fuels – yet there is no official no-coal or no fossil policy.

- **India** – In the spirit of the April Wuhan meeting, China and India are coming closer together and attempting to separate sovereign from trade issues (e.g. the Bank of China can now invest in India and China cut import tariffs from some Indian goods). There is a growing awareness and willingness to fill the gap on cooperation and multilateralism based on the CBDR principle. No backtracking is expected from the traditional Indian position on climate. India is worried about BRICS cooperation collapsing and want to avoid talking about Trump but focus on positive areas of cooperation.

- **Brazil** – The political situation is in flux and unstable which makes it difficult for leaders to focus on the BRICS Summit and there has generally been little mobilisation around it. There
will be strong support for multilateralism anchored in the CBDR principle. Biofuels and just transition will feature among Brazilian priorities.

- **Russia** – Despite expressing support for the completion of the Paris Rulebook at COP24 during the Petersberg Dialogue, Russia remains the key blocker of more ambitious action and the main advocate for the continuing use of fossil fuels. For now there is not much pushback from other BRICS members.

**ENGAGEMENT OPPORTUNITIES**

- As national interests between energy consuming (China and India) and fossil fuel producing countries (Russia) begin to diverge, it is key to **support ambitious countries, especially China, demanding deeper economic and financial reforms for clean and resilient development.** This is critical for avoiding roll back on development progress and for demonstrating that the transition in emerging economies is possible and the Paris goals remain within reach.

- **Placing the clean economy and resilience at the heart of the 4th Industrial Revolution** is key to deliver a successful development fit for 21st century challenges. There is a risk otherwise that huge amounts of carbon are locked in through high carbon development, especially in the form of high carbon infrastructure.

- **Raising the international attention on the BRICS Bank** is important in order to ensure accountability and to put pressure for financial reforms. BRICS’ Leaders, including the Finance Ministers and Central Banks who will meet in Argentina on 19-22 July, have the opportunity to relaunch the BRICS Bank by making sure its lending policy is fully compatible with the UN Agenda 2030 and the African Union’s Agenda 2063.

- **African Leaders should leverage the Africa outreach to remind BRICS that no inclusive and poverty-eradicating development is possible without accelerating climate change mitigation and adaptation and integrating it in all aspects of investment, infrastructure and trade cooperation.**

- The **Forum on China-Africa Cooperation (FOCAC) Summit**, taking place in Beijing in September 2018, is an opportunity for Chinese and African leaders to agree on a new model of cooperation that makes clean, energy efficiency and resilient investment the priority and driving principle of cooperation, especially for new infrastructure.