

## The BRICS Partnership: Development and Climate Change Policy from an African Perspective

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### *Abstract*

As a group of leading emerging economies, the BRICS partnership consisting of Brazil, the Russian Federation, India, China and South Africa has embarked on new policy pathways to exploit potential and new opportunities for economic and sustainable development. BRICS is gaining international importance, not only because its land area is more than a quarter of that of the world and because almost half of the world's population lives in its territories, but also because of its ever-growing share in the world economy. Although economic development may be at the heart of the BRICS partnership, environmental protection and climate change prevention are topics that have been on the agenda of BRICS since its formal inception in 2009. Having recognised that “climate change is one of the global threats challenging the livelihood of communities and countries”, BRICS aims at a constructive dialogue on how to deal with climate change based on the principle of common but differentiated responsibilities. This article intends to shed some light on the development and climate change policy of BRICS from a predominantly southern African perspective.

### *A. Introduction*

The BRICS partnership is a grouping of leading emerging economies, namely Brazil, the Russian Federation, India, China and South Africa, playing a growing role in the world economy.<sup>1</sup> BRICS considers itself to be “a plat-

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1 Prior to South Africa's first attendance of the Summit in 2011, the group was named BRIC (Brazil, Russian Federation, India and China). South Africa had received a formal invitation to join from China in 2010.

form for dialogue and cooperation amongst countries that represent 43% of the world's population, for the promotion of peace, security and development in a multi-polar, inter-dependent and increasingly complex, globalising world".<sup>2</sup> Looking at the enormous potential of BRICS, it seems that in this globalising world the "centre of economic gravity is shifting. The rise of Asia and emerging economies in other parts of the world is ushering in a new configuration of economic power and influence. This is a continuing process and we are now beginning to see the emergence of Africa".<sup>3</sup>

The global economy is undergoing a shift in economic power from North to South and West to East. The BRICS partners are fast emerging as the new sources of global economic growth, trade and investment flows, reshaping the global economy and driving recovery from the 2008/2009 Great Recession. Advanced economies are projected to grow only 1.2% in 2013, compared to 5.3% for emerging and developing economies as a group. By 2014 BRICS is expected to account for 61% of global growth. Developing countries' share of world trade will double over the next 40 years, to 69% by 2050. Hence there is a strategic importance to strengthening South–South trade, investment and development cooperation.<sup>4</sup>

In its early years the four initial BRIC countries (Brazil, Russian Federation, India and China) predominantly used the term BRIC in a much narrower sense, mostly in the context of companies wanting to expand into the emerging markets and banking groups wanting to provide new financial products. Eventually the four countries developed the idea further to foster closer links and the dialogue on the political level started in 2006.<sup>5</sup> Since 2009, annually and on a rotational basis, BRIC nations have held their summits where the heads of state as well as ministers and key business people come together. The first BRIC Summit was held in 2009 in Yekaterinburg, Russia; and the second took place in Brasília, Brazil, in 2010. In 2010, South Africa received a formal invitation from China to join the partnership. Thereafter BRIC became BRICS in 2011<sup>6</sup> and with South Africa joining the

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2 See para. 3 of the 4<sup>th</sup> BRICS Summit Delhi Declaration, available at <http://www.brics.utoronto.ca/docs/120329-delhi-declaration.html>, last accessed 01 May 2013.

3 WTO (2013:17).

4 Projections in this paragraph have been given by Davies (2013).

5 See Mostert (2013) with further references.

6 See para. 2 of the Sanya Declaration <http://english.sanya.gov.cn/publicfiles/business/htmlfiles/englishsite/sanya%20brics/201109/2398.html>, last accessed 01 May 2013.

partnership its commitments suddenly also became relevant for the entire African continent – at least indirectly.<sup>7</sup> With and after South Africa's inclusion, three further BRICS summits have been held: 2011 in Sanya, China, 2012 in New Delhi, India, and 2013 in Durban, South Africa.

### *B. The Nature of BRICS*

A study on the European Union (EU) foreign policy towards BRICS argues that the –<sup>8</sup>

BRICS countries do not form a bloc and should thus not be approached ... as a coherent bloc, but rather as an increasingly dense and influential network which, together with other overlapping multilateral settings, has a growing impact on international political and economic governance.

The impact of the BRICS countries can only be correctly understood if it is “seen as part of a wider shift in the international balance of power, both politically and economically”.<sup>9</sup> BRICS is emerging as an intergovernmental network – somewhat comparable to, for instance, the G20.<sup>10</sup> It functions on agenda-setting, consensus-building,<sup>11</sup> policy coordination<sup>12</sup> and as a platform for knowledge production and information exchange. So far BRICS consists of five states with no founding document (formal charter or treaty). This means that there is actually no formal structure, voting procedure or central secretariat. Moreover, BRICS so far fails to provide for any mechanism to come up with legally binding decisions, nor does it have a dispute settlement procedure or mechanism in place.<sup>13</sup> However, the BRICS leaders have issued several joint statements and declarations. Of particular impor-

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7 See Ruppel (2013a).

8 Keukeleire (2011:32).

9 (ibid.).

10 For information on the G20 see [http://www.g20.org/docs/about/about\\_G20.html](http://www.g20.org/docs/about/about_G20.html), last accessed 28 April 2013.

11 The wide range of topics that the countries cover at the BRICS summit which translates into a declaration where the BRICS collectively state on which issues they formed consensus on; see the various BRICS Summit Declarations.

12 For example on climate change; the countries are committed to finding sustainable outcomes; see para. 22 of the Sanya Declaration <http://english.sanya.gov.cn/publicfiles/business/htmlfiles/englishsite/sanya%20brics/201109/2398.html>, last accessed 01 May 2013.

13 See Mostert (2013).

tance are the official documents that have resulted from the BRIC and BRICS summits, namely:<sup>14</sup>

- the 2009 Joint Statement, Yekaterinburg, Russia
- the 2010 Joint Statement, Brasília, Brazil
- the 2011 Sanya Declaration, Sanya, China
- the 2012 Delhi Declaration, New Delhi, India, and
- the 2013 eThekweni Declaration, Durban, South Africa.

Several other official documents have been produced by the Summits and on the BRICS ministerial level, such as the 2011 BRICS Agriculture Ministers Declaration or the 2011 BRICS Finance Ministers Communiqué. Yet, BRICS does not constitute an international organisation in the strict sense of public international law and it will have to be seen whether it will still develop as such in future.<sup>15</sup> BRICS is neither an international organisation nor a trade bloc in terms of a regional (or preferential) economic community. It refers to itself as a “partnership”,<sup>16</sup> which comprises “a non-hierarchical governance structure in which relations among actors are repeated and enduring, but where no one has the power to arbitrate and resolve disputes among the members”.<sup>17</sup> BRICS is merely a networking forum that has the potential for more (i.e., to become an economic powerhouse in future), considering that it covers an enormous population (more than 40% of the world’s population) and landmass (over a quarter of the world’s land area). It has been stated that while China and India can be considered to be the ‘world’s factory’ and the ‘world’s office’, respectively,<sup>18</sup> Russia has come to be known as the ‘world’s gas station’ and Brazil as the ‘world’s farm’. In this context, South Africa can either serve as a ‘gateway to Africa’ or as ‘a gatekeeper to Africa’ and its rich natural resources.<sup>19</sup>

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14 These and other official documents are available from the University of Toronto BRICS Information Centre at <http://www.brics.utoronto.ca/docs/index.html>, last accessed 08 May 2013.

15 See ITAR-TASS (2012).

16 Boisson de Chazournes (2009:657).

17 Podolny & Page (1998).

18 Fujita (2006).

19 Van den Bosch (2011).

In the 2013 Durban eThekweni Declaration,<sup>20</sup> BRICS reaffirmed its commitment to the promotion of international law, multilateralism and the central role of the United Nations (UN). The discussions also reflected a growing intra-BRICS solidarity, as well as the shared goal to contribute positively to global peace, stability, development and cooperation based on an inclusive approach of shared solidarity and cooperation towards all nations and peoples:<sup>21</sup>

We aim at progressively developing BRICS into a full-fledged mechanism of current and long-term coordination on a wide range of key issues of the world economy and politics. The prevailing global governance architecture is regulated by institutions which were conceived in circumstances when the international landscape in all its aspects was characterised by very different challenges and opportunities. As the global economy is being reshaped, we are committed to exploring new models and approaches towards more equitable development and inclusive global growth by emphasising complementarities and building on our respective economic strengths.

### *C. The BRICS Development Agenda – A Brief Overview*

The BRICS agenda is calling for a comprehensive reform of the UN Security Council<sup>22</sup> and has identified other common themes such as the control of climate change, the combatting of terrorism, and the reform of the International Monetary Fund (IMF) and the World Bank.<sup>23</sup> The Sanya BRICS Declaration on the global economy, international financial issues and developmental affairs emphasises that “[I]n the economic, financial and development fields BRICS serves as a major platform for dialogue and cooperation” and the group has agreed to continue further expanding and deepening of economic, trade and investment cooperation among BRICS countries. Furthermore, BRICS countries, by signing the declaration, have committed themselves “to assure that the BRICS countries will continue to enjoy strong and sustained economic growth supported by our increased cooperation in

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20 2013 Durban 5<sup>th</sup> BRICS summit eThekweni Declaration and Action Plan available <http://www.brics5.co.za/fifth-brics-summit-declaration-and-action-plan/>, last accessed 01 May 2013.

21 Para. 2 of the 2013 eThekweni Declaration.

22 Para. 8 of the Sanya Declaration.

23 Para. 9 of the Delhi Declaration.

economic, finance and trade matters, which will contribute to the long-term steady, sound and balanced growth of the world economy”.<sup>24</sup>

On the challenges related to the aforementioned balanced growth envisaged by the BRICS countries, a recently completed report on *Economic Policy and Social Affairs in the BRICS* concludes as follows:<sup>25</sup>

Sustaining growth and addressing the equity challenge in the long run will require the BRICS countries to strengthen capacities for production and innovation, while improving links with the global knowledge economy. This will be possible only if countries take an integrated approach to development. Identifying priorities, aligning activities aimed at scientific and technological development, and upgrading production capacities will need to be accompanied by targeted actions addressing skills-based, financial and infrastructural obstacles. Barriers and incentives differ from country to country; there will be no single, unique response. Each country has to develop its particular, innovative way of shaping its own development trajectory.

According to the Sanya Declaration, BRICS is generally committed to supporting a strong, open, rules-based multilateral trading system embodied in the World Trade Organisation (WTO) and a successful, comprehensive and balanced conclusion of the Doha Development Round.<sup>26</sup> After more than 10 years of repeated negotiation failures of the Doha Development Round, rumours have become louder that the Doha negotiations are unlikely to be concluded in the near future. Some even contend that the “WTO risks its future by keeping Doha alive”.<sup>27</sup> During the recent process of selecting a new director general for the WTO, BRICS countries have been standing closely together<sup>28</sup> in support of the application of the Brazilian candidate Roberto Azevêdo (the United States and the European Union had supported Mexican trade minister Herminio Blanco). Azevêdo was approved by WTO members as the new director-general at the general council meeting on 14 May 2013 and is the first Latin-American holding the post.<sup>29</sup> Expectations are high that the new head of the WTO may help to ease global trade talks and to conclude the Doha Development Round successfully.

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24 Para. 13 of the Sanya Declaration.

25 Reisen (2013).

26 Para. 26 of the Sanya Declaration.

27 Miles (2011).

28 With strong support from Africa, which has the most WTO members by continent.

29 Süddeutsche Zeitung (2013).

In the 2013 eThekweni Declaration, BRICS reaffirmed its support for an open, transparent and rules-based multilateral trading system.<sup>30</sup>

We will continue in our efforts for the successful conclusion of the Doha Round, based on the progress made and in keeping with its mandate, while upholding the principles of transparency, inclusiveness and multilateralism. We are committed to ensure that new proposals and approaches to the Doha Round negotiations will reinforce the core principles and the developmental mandate of the Doha Round. We look forward to significant and meaningful deliverables that are balanced and address key development concerns of the poorest and most vulnerable WTO members, at the ninth Ministerial Conference of the WTO in Bali. We note that the process is underway for the selection of a new WTO Director-General in 2013. We concur that the WTO requires a new leader who demonstrates a commitment to multilateralism and to enhancing the effectiveness of the WTO including through a commitment to support efforts that will lead to an expeditious conclusion of the DDA.

Concerning excessive volatility in commodity prices, BRICS supports the international community in strengthening cooperation to ensure stability and development of physical markets by reducing distortions and further regulating financial markets. In the 2013 eThekweni Declaration, BRICS also expressed its openness to increasing engagement and cooperation with non-BRICS countries, in particular emerging markets and developing countries (EMDCs), and relevant international and regional organisations, as envisioned in the Sanya Declaration.<sup>31</sup>

BRICS considers safe nuclear energy as an important element in future energy supply and supports the development of renewable energy as being a part of a future energy mix in and for BRICS countries. “Russia and Brazil are core oil and gas exporters, China and India are consummate consumers; South Africa can unlock marginal production from the Gulf of Guinea to the deep waters of Mozambique, adding extra energy...to the BRICS bloc”. So far BRICS has no common vision on the energy front. And it will most probably be “the energy question that exemplifies the BRICS overall economic potential ...”.<sup>32</sup>

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30 Paras 15 and 16 of the 2013 eThekweni Declaration.

31 Para. 3 of the 2013 eThekweni Declaration.

32 Hulbert & Brüttsch (2012).

#### D. BRICS-Africa Relations

The Africa relationship of BRICS is far more complex, internally divergent and perhaps precarious than it may seem. This does not necessarily take away from the fact that all five of the BRICS countries will increase in global influence and that partnerships with one another and African nations will be significant, but these dynamics will not be straightforward, and could become increasingly complex with the rise of other developing economies. Nevertheless, it is important to understand that BRICS is intent on cooperating with Africa to enhance its overall influence. Though it may not be the magic fix that many desire, and though it will not be the straightforward relationship sometimes suggested, the BRICS-Africa relationship provides potential for positive cooperation in the future.<sup>33</sup>

In the 2013 eThekweni Declaration, BRICS plans to hold a retreat together with African leaders with the theme, *Unlocking Africa's potential: BRICS and Africa Cooperation on Infrastructure*. The retreat will be an opportunity for BRICS and African leaders to discuss how to strengthen cooperation between the BRICS countries and the African continent:<sup>34</sup>

Recognising the importance of regional integration for Africa's sustainable growth, development and poverty eradication, we reaffirm our support for the Continent's integration processes. Within the framework of the New Partnership for Africa's Development (NEPAD), we support African countries in their industrialisation process through stimulating foreign direct investment, knowledge exchange, capacity-building and diversification of imports from Africa. We acknowledge that infrastructure development in Africa is important and recognise the strides made by the African Union to identify and address the continent's infrastructure challenges .... We will seek to stimulate infrastructure investment on the basis of mutual benefit to support industrial development, job-creation, skills development, food and nutrition security and poverty eradication and sustainable development in Africa. We therefore, reaffirm our support for sustainable infrastructure development in Africa.

Thus far Africa remains poor regardless of its high concentration of natural resources.<sup>35</sup> Africa's economic outlook may look bright in GDP terms, but this conceals structural deficiencies and deep imbalances. First of all, African economies are heavily dependent on exports (mainly commodities and raw materials), which means that the current high international com-

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33 Khanna (2013).

34 Para. 5 of the 2013 eThekweni Declaration.

35 See Ruppel (2013b and c).

modity prices are inflating growth statistics.<sup>36</sup> Most foreign direct investment attracted by African states relates to natural resources.<sup>37</sup>

Moreover, the global —<sup>38</sup>

thirst for energy has generated exceptional conditions for African economies to continue exploiting their natural resources (all of which are depleting at an ever accelerating rate) and focus only on infrastructure that serves the purpose of taking ‘stuff’ away from the African continent (the Chinese, for instance, have invested in ports, railway systems and other ‘corridors’ to ease the transportation of commodities towards the East).

Two of the three sub-Saharan states currently receiving the largest amount of investment from China include South Africa and the Democratic Republic of Congo.<sup>39</sup> South Africa is China’s second largest source of imports dominated by mineral resources.<sup>40</sup> Since Chinese and African populations together constitute about one fourth of the global community,<sup>41</sup> aspects of this relationship have a major impact on global sustainable development. It is vital for Africa to have the policies, laws and regulations effectively in place to propel development, but also provide protection against overuse, abuse and pollution of non-renewable natural resources by foreign investors.<sup>42</sup>

In an assessment of whether a relationship with BRIC will prove to be South Africa’s way ahead, it has been summarised as follows:<sup>43</sup>

Poverty, poor infrastructure, lack of productive capacity and transfer of technology, the emerging threats associated with climate change as well as the food, energy, financial and economic crises, have been identified as areas where Africa can enhance its capacity by cooperating with other developing countries. Furthermore, the increased bargaining power of developing countries in multi-lateral negotiations, as reflected in the current Doha negotiations of the World Trade Organisation (WTO), has been cited as another reason for cooperation. It is against this background that since 2000, African countries have entered into new partnerships and arrangements with the South, increasingly driven by economics rather than politics. The new partnerships are often based on formal frameworks with dialogue forums and action plans. The agenda behind the renewed and increased global economic interest in Africa, a continent that was

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36 Fioramonti (2013).

37 Marafa (2009:13).

38 Fioramonti (2013).

39 Scissors (2011); see also Van der Lugt et al. (2011).

40 Marafa (2009:10).

41 (ibid.:8).

42 Susswein (2003:309).

43 Sandrey (2013:6).

once dubbed 'hopeless' should be considered. In historical representations Africa has been regarded as underdeveloped and poor, but of late Africa has been regarded as a continent brimming with potential and opportunities. The need of boom economies, like China and India, for raw materials, is generating valuable new opportunities. Can this be regarded as a new scramble for Africa in a post-colonial era?

China indeed attaches ever-increasing importance to BRICS and its Africa relations. The reasons lie mainly in two aspects. The first is economic, namely to promote China's influence and interest in the global economy and international financial institutions, and to share China's development achievement with other developing partners. The second is to place political and security affairs on the BRICS agenda. The fast development of Sino-African relationships in the past decade is one of the most significant international advancements.<sup>44</sup> Sino-African relations have significantly upgraded from a linear and single-dimension relationship to a multilayer and multidimension one, with the support of institutionalisation efforts, especially the establishment and development of the Forum on China-Africa Cooperation (FOCAC).<sup>45</sup>

#### *E. South Africa: The BRICS Development Partner in Africa?*

When compared to its BRICS partners, South Africa's role of is somewhat different, as its economy is much smaller than that of the other four countries and, strictly speaking, South Africa does not comply with all the characteristics generally associated with the country group: (1) the outstanding size of their economies, (2) strong growth rates, leading to increasing significance in world economy, and (3) the demand for a stronger political voice in international governance structures, which corresponds to their economic status. Nevertheless, BRICS represents a heterogeneous group, with individual countries also forming other coalitions. Beside the differentiation made above for South Africa, China is in an exceptional position concerning most aspects of economic cooperation and Russia stands out as a former superpower.<sup>46</sup>

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44 49 Countries out of the continent's 54 countries have established diplomatic ties with China, see Chun (2013).

45 See with further references CCS (2013).

46 Morazán et al. (2012).

There had been other contenders for a spot in the former BRIC, but South Africa was chosen and not necessarily for economic reasons per se. South Africa has a relatively small economy as well as a much smaller population and a slower growth rate compared to the BRIC countries. However, from global governance and network-strengthening perspectives, the next natural partner was a country such as South Africa. South Africa is highly interested in support for its African agenda, through which it hopes, inter alia, to foster the growth of infrastructure on the continent, as well as to promote development that will advance governance, peace and security in Africa. So far, South Africa is the only African BRICS member and it thus has specific stakes in the African continent. South Africa's role within BRICS has been formulated as follows:<sup>47</sup>

The strong stance of South Africa on the African continent has limitations in a setting with 54 states. South Africa has been publicly denounced as 'not representing Africa' in the past – not least so by the African Union Commission. The country's government is cautious to be a team player in Africa and has a strong liking for multilateral processes. ... The engagement within the BRICS is thus complementing other South African activities meant to foster development on the African continent. This certainly includes debates on peace and security and structural reform of global governance. And, not to forget, this also includes an element of competition, as South African enterprises are facing competition by other BRICS actors in what they consider their natural area for economic expansion. This competition has to be managed by all BRICS countries. With the particularities of South Africa, however, trade is not following the flag (nor vice versa); rather, both seem to operate alongside each other. The African agenda is emphasised as the underlying tune of all these endeavors.

During the Public Dialogue on *South Africa and the BRICS: Prospects for the Future*, held at the Centre for Conflict Resolution in Cape Town on 24 April 2013, the South African Minister for Trade and Industry, Dr Rob Davies inter alia mentioned the following policy positions:<sup>48</sup> South Africa is currently the rotating chair for BRICS for the next year and BRICS is a flagship for South African trade and foreign policy. Major structural changes in the international environment affect the world economy where the rise of important emerging economies is contributing towards an East–West shift in development, moving away from the North–South divide of the past. South Africa is a member of the 'club of strong emerging economies' because it is the most industrialised and largest economy on the African continent. Fur-

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47 Grimm (2013:39 and 43).

48 Davies (2013).

thermore, Africa – apart from Asia – is the fastest growing continent and it is ready for industrialisation now. In this light the commodity cycle in minerals trade will be overcome: in order to industrialise the continent it is important to promote more value added trade (especially in the context of minerals) and improved agriculture. Regional integration efforts from Cape to Cairo, such as envisaged by the initiative consisting of the Common Market for Eastern and Southern Africa, the Eastern African Community and the Southern African Development Community (COMESA-EAC-SADC tripartite initiative) and industrial infrastructure development, are crucial. In terms of South Africa-BRICS trade this means that, while traditional developed country partners remain important, South Africa needs to diversify and strengthen its economic relations with other emerging economies. South Africa aims at championing a new paradigm for equitable development that focuses on mutually beneficial complementary trade, not destructive competition. In the same light South Africa is prepared to render increasing support for Africa's development agenda (especially regional integration, industrial capacity and infrastructure development).<sup>49</sup>

#### F. BRICS Development Bank

At the 4<sup>th</sup> BRICS Summit in Delhi, India, in 2012, the BRICS countries called for the various finance ministers to examine the feasibility and viability of a new development bank to mobilise resources for infrastructure and sustainable development projects in BRICS countries, as well as in other emerging and developing economies. At the 5<sup>th</sup> BRICS Summit, held in Durban, South Africa, in March 2013, BRICS leaders expressed their intention to set up a BRICS development bank, which would finance infrastructure and sustainable development projects across BRICS nations and other developing countries. The theme of the Summit was *BRICS and Africa Partnership for Development, Integration and Industrialisation*.

The eThekweni Declaration considers a range of international issues, including the global economy, sustainable development, climate change and trade. The Declaration states that the initial contribution to the development bank should be substantial and sufficient for it to be effective in financing infrastructure. At the same time BRICS calls for the reform of international

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49 (ibid.).

financial institutions to make them more representative and to reflect the growing weight of BRICS and other developing countries —<sup>50</sup>

We remain concerned with the slow pace of the reform of the IMF. We see an urgent need to implement, as agreed, the 2010 International Monetary Fund (IMF) Governance and Quota Reform. We urge all members to take all necessary steps to achieve an agreement on the quota formula and complete the next general quota review by January 2014. The reform of the IMF should strengthen the voice and representation of the poorest members of the IMF, including Sub-Saharan Africa. All options should be explored, with an open mind, to achieve this. We support the reform and improvement of the international monetary system, with a broad-based international reserve currency system providing stability and certainty. We welcome the discussion about the role of the SDR in the existing international monetary system including the composition of SDR's basket of currencies. We support the IMF to make its surveillance framework more integrated and even-handed. The leadership selection of IFIs should be through an open, transparent and merit-based process and truly open to candidates from the emerging market economies and developing countries. We emphasise the importance of ensuring steady, adequate and predictable access to long term finance for developing countries from a variety of sources. We would like to see concerted global effort towards infrastructure financing and investment through the instrumentality of adequately resourced Multilateral Development Banks (MDBs) and Regional Development Banks (RDBs).

Regarding the establishment of a BRICS development bank, an “irreversible decision has been taken in Durban in March 2013”,<sup>51</sup> namely to go ahead with the bank. What this exactly means, however, still needs to be determined, as a variety of questions are still unresolved.<sup>52</sup> These include the modalities of the bank, the financial contribution required from each BRICS country, how voting rights will be allocated and the bank's physical location, etc. The World Bank has welcomed the BRICS plan for a development bank: “The World Bank Group believes partnership is central to its development mission and would naturally welcome a strong working relationship with a new BRICS Development Bank.”<sup>53</sup> It is expected that such a BRICS development bank will only start functioning in a couple of years after all the unresolved details have been worked out.<sup>54</sup>

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50 Paras 13 and 14 of the 2013 eThekweni Declaration.

51 Davies (2013).

52 Coleman (2013).

53 Donnelly (2013).

54 Further discussions on the bank are set to take place alongside the G20 Summit in Russia in September 2013; see Viljoen (2013).

### G. BRICS and Climate Change

Accelerating sustainable growth of developing countries is one of the major world challenges and BRICS sees growth and development as central to addressing poverty and to achieving the United Nations Millennium Development Goals (MDGs). Infrastructure development in Africa and the industrialisation of the continent within the framework of the New Partnership for Africa's Development (NEPAD) is a major objective of the BRICS members. Therefore, in its fourth Declaration signed in New Delhi in March 2012,<sup>55</sup> BRICS states again emphasised their strong commitment to enhancing sustainable development by also focusing on environmental protection. In the Declaration, the BRICS states affirm their commitment to the implementation of the United Nations Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity, among others. It is specifically pointed out that “sustainable development should be the main paradigm in environmental issues, as well as for economic and social strategies”.<sup>56</sup> It is noteworthy that the Delhi Declaration spells out the commitment of the BRICS states towards environmental protection and respective multilateral environmental Agreements, and the commitment towards the achievement of the Millennium Development Goals, but the Declaration is also very clear regarding the responsibilities of developed nations and the need for them to ensure that growth in non-developed countries is not affected.<sup>57</sup>

The Sanya Declaration refers to environmental matters, with climate change leading the way, as climate change is considered to be “one of the global threats challenging the livelihood of communities and countries”.<sup>58</sup> In this regard, and highlighting the principle of equity and common but differentiated responsibilities, BRICS leaders have committed themselves “to work towards a comprehensive, balanced and binding outcome to strengthen the implementation of the United Nations Framework Convention on Climate Change and its Kyoto Protocol”<sup>59</sup> and to enhance “practical cooperation in adapting our economy and society to climate change”.<sup>60</sup> Moreover, cooperation has been envisaged in order to “reach new political commitment

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55 Paras 28–35 of the Delhi Declaration.

56 (ibid.:para. 32).

57 Paras 29–35 of the Delhi Declaration.

58 Para. 22 of the Sanya Declaration.

59 (ibid.).

60 (ibid.).

and achieve positive and practical results in areas of economic growth, social development and environmental protection under the framework of sustainable development”.<sup>61</sup>

With the fourth BRICS Declaration signed in New Delhi in March 2012,<sup>62</sup> BRICS states have welcomed the significant outcomes of the 17th Conference of Parties to the United Nations Framework Convention on Climate Change and the 7th Conference of the Parties serving as the Meeting of the Parties to the Kyoto Protocol (COP17/CMP7) held in Durban, South Africa, in December 2011. It was declared that the BRICS states “are ready to work with the international community to implement its decisions in accordance with the principles of equity and common but differentiated responsibilities and respective capabilities”. Furthermore, the following commitment with regard to climate change was laid down in the Delhi Declaration:<sup>63</sup>

We are fully committed to playing our part in the global fight against climate change and will contribute to the global effort in dealing with climate change issues through sustainable and inclusive growth and not by capping development. We emphasise that developed country Parties to the UNFCCC shall provide enhanced financial, technology and capacity-building support for the preparation and implementation of nationally appropriate mitigation actions of developing countries.

In the context of BRICS and climate change, it is also worth mentioning that the so-called BASIC Group – Brazil, South Africa, India and China – which was formed in 2009, has, as a group with increasing economic and geopolitical influence, embarked on international climate change negotiations by, amongst others, drafting the Copenhagen Accord together with the United States for the 15<sup>th</sup> Session of the Conference of the Parties to the UNFCCC (COP15).<sup>64</sup> The role of the BASIC countries for climate-related issues has been described as follows:<sup>65</sup>

BASIC countries – both individually and collectively – are rapidly moving to the centre stage of international politics. Their increased influence in international climate diplomacy was clearly seen for the first time at the Copenhagen Climate Conference (COP15). . . . The foundation of the BASIC cooperation can be traced back to a common ‘third world’ identity formed during several decades

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61 (ibid.:para. 23).

62 Paras 29 and 30 of the Delhi Declaration.

63 Para. 30 of the Delhi.

64 Hallding et al. (2011).

65 (ibid.:13).

in the G77 group of developing countries, in which the four BASIC countries have each played leading roles. ... BASIC ministers responsible for climate-related issues have met quarterly, suggesting that the group is committed to continued cooperation. From the joint statements issued after the meetings, two clear patterns emerge: first, a call for a second commitment period of the Kyoto Protocol; and, second, an effort to build bridges with and show support for the rest of the G77. The discussions thus seem to generate agreement on a few broad principles, but have so far been unable to settle the finer details needed to articulate concrete contributions for the international negotiating process.

In the 2013 eThekweni Declaration, the BRICS indicate that the 5<sup>th</sup> BRICS Summit “concluded the first cycle of BRICS Summits”. The countries reaffirmed their “commitment to the promotion of international law, multilateralism and the central role of the United Nations (UN)”. BRICS representatives acknowledge that the current global governance architecture is ruled by entities conceived when the international landscape presented very different challenges and opportunities:<sup>66</sup>

We are committed to building a harmonious world of lasting peace and common prosperity and reaffirm that the 21st century should be marked by peace, security, development, and cooperation. It is the overarching objective and strong shared desire for peace, security, development and cooperation that brought together BRICS countries. We welcome the twentieth Anniversary of the World Conference on Human Rights and of the Vienna Declaration and Programme of Action and agree to explore cooperation in the field of human rights.

In 2013 BRICS called on all parties to build on the decisions adopted in the 18<sup>th</sup> Session of the Conference of the Parties (COP18) to the UNFCCC held in Doha, Qatar, at the end of 2012, in order to reach a successful conclusion by 2015 of negotiations on the development of a protocol, another legal instrument or an agreed outcome “with legal force, under the Convention applicable to all Parties, and guided by its principles and provisions”.<sup>67</sup> Lastly, the eThekweni Action Plan furthermore envisages consultative meetings of BRICS senior officials in the fields of sustainable development, environment and climate change.

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66 Paras 20–23 of the 2013 eThekweni Declaration.

67 Para. 37 of the 2013 eThekweni Declaration.

## *H. Concluding Remarks*

BRICS provides a new climate for development with high potential in a world of changing power balances. BRICS countries now constitute the largest trading partners of Africa and the largest investors too. No BRICS country is an Organisation for Economic Co-operation and Development (OECD) member and, more than ever before, non-OECD member economies seem to be transforming into world economic forces in the global economy. At the same time, BRICS is fast emerging as the new source of global economic development. Although at present BRICS does not constitute an international organisation in the strict sense of public international law, BRICS countries are forming an increasingly influential network with a growing impact on international political and economic governance. In the 2013 Durban eThekweni Declaration, BRICS reaffirmed its commitment to the promotion of international law, multilateralism and the central role of the United Nations.

The cooperation of BRICS members with one another and with African nations provides an enormous potential for development in the future. China attaches ever-increasing importance to BRICS and its Africa relations for economic and other reasons. South Africa is highly interested in support for its African agenda, through which it hopes, *inter alia*, to foster the growth of infrastructure on the continent, as well as to promote development that will advance governance, peace and security on the continent. South Africa is so far the only African BRICS member and it thus has specific stakes in the African continent. A new BRICS development bank may become very useful for this purpose, especially once the unresolved details have been worked out.

Africa must select its partners carefully as it remains poor regardless of its high concentration of natural resources. This fact should place particular focus on its sustainable development agenda in future. Although Africa's economic outlook looks bright, it is vital for Africa to have adequate policies and the rule of law in place to provide protection against exploitation by foreign investors. This seems to be in line with the following message of United Nations secretary-general, Ban Ki-moon (May 2011):<sup>68</sup>

For most of the last century, economic growth was fuelled by what seemed a certain truth: the abundance of natural resources. The world mined its way to

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68 Ki-moon (2011).

growth and burned its way to prosperity. Those days are gone. In the twenty-first century, supplies are running short and the global thermostat is running high. Climate change is showing us that the old model is more than obsolete. It is in fact extremely dangerous. How do we lay the foundation for future growth? How do we lift people out of poverty while protecting the planet and ecosystems that support economic growth? How do we regain the balance? All of this requires rethinking. We have to be prepared to make major changes – in our lifestyles, our economic models, our social organisation, and our political life. We have to connect the dots between climate change and issues such as water, energy and food. The challenge is great – but, so too, is the opportunity. The sustainable development agenda is the growth agenda for the twenty-first century.

BRICS proclaims to be committed to playing its part in the global fight against climate change and to contribute to the global effort in dealing with climate change issues through sustainable and inclusive growth, and not by capping development. Although energy derived from fossil fuels still dominates its energy mix for the foreseeable future, BRICS states intend to expand sourcing of clean and renewable energy, as well as the use of energy-efficient and alternative technologies, to meet the increasing demand of their economies and people, and to respond to climate concerns as well. The commitment of BRICS to climate concerns is laudable: by calling on all parties to build on the decisions adopted in the 18th Session of the Conference of the Parties (COP18) to the UNFCCC held in Doha, Qatar, at the end of 2012, BRICS shows ambition to reach a successful conclusion by 2015 of negotiations on the development of a protocol, another legal instrument or an agreed outcome “with legal force, under the Convention applicable to all Parties, and guided by its principles and provisions”.<sup>69</sup>

It will, however, have to be seen whether the BRICS partners – who are at the same time economic competitors – will be able to achieve their ambitious (climate-change-related) goals in the absence of a more structured formal environment.

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