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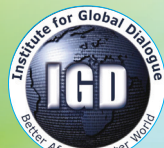
OF THE SOUTH

Democracies for Development

A Report by Four Prominent Think Tanks from IBSA



RIS
Research and Information System
for Developing Countries
विकासशील देशों की अनुसंधान एवं सूचना प्रणाली



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Contents

<i>Preface by Professor Sachin Chaturvedi, Director General, RIS</i>	<i>V</i>
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Chapters

• Chapter I: Introduction	1
• Chapter II: IBSA and Global Geo-strategies	7
• Chapter III: Surging Regional Economic Partnership: Triangular Cooperation in IBSA Trade	15
• Chapter IV: IBSA Cooperation for Global Governance of Trade, Climate Change, Health and Biodiversity	43
• Chapter V: Inclusive Development Paradigm: Core of Socio-Economic Sector	63
• Chapter VI: IBSA Fund - Reflections and New Vision	77

Eminent Voices

• Chapter VII: IBSA's Uniqueness and Role vis-à-vis BRICS	93
• Chapter VIII: IBSA and the Challenges of the New Geopolitical Order	99
• Chapter IX: IBSA and Africa's Development Agenda	111

Key Recommendations	117
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Preface

Professor Sachin Chaturvedi

Director General, RIS

RIS has been among the early contributors to intellectual partnerships for promoting IBSA cooperation in the realms of trade, investment, social sector development and at multilateral forums. This journey has only enriched in the years following the formation of the IBSA Dialogue Forum with specific inputs to the IBSA Summit Process. In recent years, RIS has organized the Sixth and Seventh IBSA Academic Forum in 2019 in the physical format and in 2021 in a virtual format. Historically, for the past several years, RIS has been engaged in organizing IBSA Academic Forum in close partnership with the leading think-tanks of respective IBSA countries. In the wake of the COVID-19 pandemic and subsequent economic downturn and social vulnerabilities, the Seventh IBSA Academic Forum (11-12 August 2021) had devoted substantial attention to rediscovering economic partnerships in IBSA; reinvigorating IBSA cooperation on development; IBSA at UN and future multilateralism; access to finance and economic recovery; cooperation in trade and resilient value chains; and creating post-pandemic resilience through technology and inclusive social sector development.

To deepen the understanding on some of these issues RIS partnered with South African Institute of International Affairs (SAIIA), Institute for Global Dialogue (IGD), South Africa; and the Institute for Applied Economic Research (IPEA), Brazil who have been our longstanding partners to bring out the present comprehensive Report, 'Trinity of the South: Democracies for Development. The report has collection of research studies undertaken by the eminent policymakers, academicians and RIS research team which focus on issues such as IBSA and global geo-strategies, triangular cooperation in IBSA trade, climate change, health and biodiversity cooperation, social inclusion, IBSA Fund, among others. Cross-cutting emphasis has been placed on the post-pandemic world order, macroeconomic challenges and economic cooperation, South-South Cooperation and State-Civil Society partnerships, why the world needs IBSA and what IBSA has achieved in the past. Eminent Voices from IBSA have added their incisive analysis on IBSA's uniqueness and its role vis-à-vis BRICS; IBSA and the challenges of the new geopolitical order; and IBSA and Africa's development agenda. I thank our partners and all eminent contributors for immensely supporting this initiative.

This Report brings out distinct facets of the IBSA partnership and its enduring relevance in a post-pandemic world. It reaffirms IBSA as a unique grouping of three large democracies and major economies from three different continents, which is founded on the principles, norms and values of participatory democracy, respect for human rights, the Rule of Law and towards strengthening of multilateralism. These principles have much greater relevance in the present times. Since its inception, IBSA has played a very important role in terms of its contribution to the agenda of Global South both at political and economic fronts.

Over the years, the IBSA Forum has emerged as a key champion of strengthening multilateralism and promoting southern solidarity driven by sheer historical experiences of voicing concern of the southern world at global fora. The Forum brings together like-minded countries committed to promoting inclusive development and well-being of all, guided by the principles, norms and values and democratic traditions. Therefore, IBSA countries are natural allies in promoting just international order, sustainable and participatory global governance and strengthening of the multilateralism.

We hope this Report would be found useful by academics, policymakers and those who are interested in taking forward the IBSA process.

Sachin Chaturvedi

1

Introduction

The post-Pandemic World Order and IBSA

The post-Pandemic world shall be different as countries are in search of greater societal resilience and sustainable prosperity. The unfolding of recent events comes on the back of protracted period of distraction in global affairs where the slow decaying of multilateralism led to severe trust deficits and fragile partnerships that were unable to create a meaningful impact on lives and livelihoods across developing regions. The post-war world order, despite the hegemonic dominance of early industrialized nations, also witnessed realignment in the developing world towards a more rule-based world order, as well as regional partnerships, even though ambitions and capacities remained low. While economic interests were dominant, closer cooperation in the South emerged from solidarity as well as recognition of the fact that the marginalization of Southern voices was more a norm than an exception. Larger inter-governmental institutions that were set up remained flawed in design. As they have disappointed the Southern economies in terms of enabling them to address the immediate challenges like climate change finance or even the additional finance needed for coping with

shrinking fiscal space. Nevertheless, several countries of the South have emerged through relative successful endeavours in catch-up even as capacities remain widely heterogeneous.

Political necessities continue to remain important as the world seeks solutions not only for a sustainable future but also for global peace and security amid rising threats. The inadequate and biased global governance agenda leaves a lot of room for non-state actors and public bad in terms of environmental damage to proliferate. Such impending challenges of the new century were felt at the turn of the century itself. Slow and unsatisfactory delivery of the post-war institutions was already on record. The convergence of concerns and aspirations led to several new partnerships that seized the imaginations of respective leaders. One such partnership was IBSA which was created in 2003. While a few years of a relative slowdown in interactions have been unfortunate, we observe that there have been sincere attempts at the political level to reinvigorate the partnership again in the last few years. This is evident from the fact that apart from the trilateral commission meetings, IBSA has issued three joint statements on issues of topmost priority and consideration to the group, launched a fellowship programme

for scholars and organized several tracks 2.0 activities including the Academic Forum as well as the lecture series.

As we discuss, IBSA's role and relevance under contemporary geo-political realities, there is a greater focus on human security, humanitarian values, democratic and sustainable development where the three countries can set an example through assertive and common positions at most multilateral fora and at the same time secure their national interests. The IBSA Joint Statement on the Reform of the Multilateral System of 2019 states "the reform of the international economic governance architecture, including the World Trade Organisation (WTO) and the international financial institutions, should also be a priority." It further states that "IBSA countries have contributed meaningfully in making the international economic governance architecture more representative and democratic, and will continue to work together to advance an agenda that promotes sustainable development and inclusive growth."

Macroeconomic Challenges and Economic Cooperation

IBSA continues to be an expanding dynamic regional grouping with a cumulative GDP of around \$5.9 trillion. The three countries enjoyed buoyant growth in the first decade of the century before the global financial crisis. Thereafter, the growth prospects have remained heavily muted though sectoral resilience and newer areas of competence emerged. Muted economic growth and recessionary pressure in these three countries also partly reversed the rising per capita incomes for the group. This perhaps accentuates challenges facing social sector development in IBSA given their development levels, social vulnerabilities and income inequalities. Given the similar development status as well as by virtue of the fact that IBSA countries are large diversified emerging and regional economic hubs, there

were clear intentions to have closer economic ties through trade and investment cooperation. The plank of South-South Cooperation was strongly based on economic objectives so that the three countries can have greater intra-regional trade and investment flows, driven by their size of economies, distinct sectors of competence, and institutional framework for macroeconomic management and trading capacities. However, this has remained a rather incomplete task given divided political attention towards core economic cooperation issues.

IBSA countries have, however, consolidated their positions as important trading partners for several countries in their regions as well as for larger trading nations and the process has deepened since the formation of the group. In the wake of the COVID-19 pandemic and an unprecedented economic shock and disruptions, macroeconomic stability; social sector cushions; livelihood loss; resilience of supply chains and external dependence; domestic competitiveness and capacities are all being evaluated in many developing countries including in IBSA. The IBSA countries are among the hardest hit by the pandemic both in terms of lives and livelihoods. The ensuing economic downturn has been severe, yet certain parameters of macroeconomic resilience in IBSA e.g. forex reserves augur well in such unprecedented times and economic recovery is reassuring. Intra-IBSA economic cooperation with a sharp sectoral focus in the mid-to-long term can be built on existing foundations of economic exchanges and by leveraging the continued dialogue in a trilateral setting. The sporadic pattern of economic linkages as well as inertia can be overcome through a reassessment of economic opportunities in the group which by all measures appear highly encouraging.

South-South Cooperation and State-Civil Society Partnerships

The documented history of South-South Cooperation suggests clear trends. It is also

suggested that regional needs play an important role in forging such partnerships to overcome common and specific challenges. The legacy of post-colonialism, in addition to a sense of solidarity has been the driving force for some of these partnerships. All three IBSA countries were part of the Buenos Aires Plan of Action on SSC in 1978. IBSA remains one of the most prominent examples of South-South Cooperation despite of continental distance between member countries. Political necessities, natural affinities and democratic governance architecture brought IBSA together. The IBSA brought together three important countries from respective continents that remain crucial for setting the global economic and political governance narrative based on the fact that they are large economies as well as politically relevant countries in their respective regions. The IBSA Declaration on South-South Cooperation of 2018 reiterates “the basic principles of SSC were particularly emphasised in the IBSA Summit Declaration of 2010 in Brasilia. It underscored SSC as a common endeavour of peoples and countries of the South. It outlined IBSA partnership based amongst equals which are guided by principles of respect for national sovereignty; national ownership and independence; equality; non-conditionality; non-interference in domestic affairs; and mutual benefit.”

However, it is not enough to have the economic and political capital to be able to realize the potential benefit of a partnership. There has to be distinct vision, precise articulation, advocacy and the right intentions behind such endeavours. IBSA seemed to satisfy all to emerge as a true South-South Partnership. The initial enthusiasm was extremely forward-looking and reassuring for the developing world. In the subsequent years, importance accorded to political necessities as well as the foundational views on common developmental narrative fell weak. While access to resources as well as economic engagements attained

greater attention from a pure prosperity-driven worldview, extraneous developments in the form of economic and financial stress led to the conflict of interests as well as incoherent partnerships. The slow acceptance of development centrality in multilateral processes deflected attention and weakened partnerships that had development at its core. The political imperatives remained critical but were not sufficient to fully sustain partnerships. IBSA suffered from this inertia. In this context, it needs to be noted that IBSA recognized the limitations of having pure ‘economic drivers’ or ‘political compulsions’ as the key movers of the partnership given geo-strategic uncertainties quite early. This perhaps prompted the creation of platforms to connect with larger civil society beyond the State or the ‘markets’. The modest actions taken in this direction include setting up of six People-to-People Forums under IBSA. They include, Parliamentary Forum, Women’s Forum, Academic Forum, Local Governance Forum, Business Forum, Editors’ Forum and a Tri-nation Forum on MSME. It is encouraging that both IBSA Academic Forum as well as IBSA Women’s Forum was held this year.

IBSA: The Necessity of the Globe

IBSA countries have been denied the much desired role at one of the most important global decision making platforms namely the UN Security Council. Their individual claims on the horse shoe remain undiminished in the quest for reasonable and representative architecture to guide consensus on global peace. The reform of the pivotal inter-governmental institution i.e. the UN remains top of the agenda for IBSA. The expansion of the Security Council and democratisation of the UN need to be reflective of contemporary world realities. The existing membership structure is unfortunately self-defeating and unsuitable to carry forward the mandate of multilateralism and participatory global governance. IBSA countries have reaffirmed their position through the IBSA

Joint Ministerial Statement on Reform of the UN Security Council in 2020. It stated among other things *“In light of the increasingly complex and inter-connected international challenges, we emphasize that the existing international governance structure is obsolete and cannot be fit-for-purpose to effectively address current peace and security challenges. Emphasizing that while a comprehensive reform of the United Nations system remains a crucial international undertaking, on which there has been some progress, we reiterate that advancing the reform of the Security Council should remain an urgent and key priority.”*

The three IBSA countries have considerable outreach among peer developing nations and regional priorities concerning trade and development cooperation initiatives. They have also been playing very important roles in regional security and stability and have demonstrated maturity and responsibility as a part of the global governance mechanisms across a variety of sectors. They are important members and constituencies in both G20 and the BRICS and have taken a keen interest to promote a multilateral trading system through the WTO. They also have important roles in placing development priorities and access-related inequities in global conventions and processes on climate and sustainability including UNFCCC and the CBD. It is important to note that IBSA remains a key force in coalitions like the BASIC to promote and propagate climate just policies.

Given the similar nature of socio-economic challenges impacting the societies of the three IBSA countries, wherein issues such as affordable basic healthcare, safe drinking water, food and nutrition security, affordable housing, energy security, environmental protection and biodiversity conservation are prevalent; there is an imperative to orient scientific research and innovation towards developing technological solutions to address these challenges. In this endeavour, it would be important to do so in a responsible manner

by adhering to the principles of Access, Equity and Inclusion (AEI). Such an approach would foster inclusive development, where the fruits of STI-led interventions are available and accessible to the wider population especially the disadvantaged and marginalized sections of the society. India has come out with a Scientific Social Responsibility (SSR) policy recently towards this aspiration. Brazil and South Africa too have been making institutional efforts to align their scientific research and innovation for meeting social needs. The three IBSA countries can work together on this front and develop a Responsible Innovation framework with the Southern perspective.

IBSA: Changing Contours of International Trade

We may recall that India, Brazil and South Africa (IBSA) have individually and collectively championed the cause of promoting fair trade and supported the developing country coalitions and initiatives at the World Trade Organization (WTO) for ensuring a rule-based global trading system. Besides leading the developing country's voice in the WTO on various agreements at different points of time, IBSA countries have managed to use disparate country-specific concerns to their advantage, and strongly advocate the linking of trade with the larger developmental aspirations of the WTO Members. That was perhaps the dominant paradigm that prompted them to make persistent efforts to reinforce the development agenda in the Doha Round of WTO trade negotiations. They fought for sufficient policy space for WTO Members belonging to the Global South to ensure the development of their industries in the process of market opening in international industrial goods trade.

The three countries were part of the 'outreach' group (O5) of leading developing countries (India, Brazil, South Africa, China and Mexico) at the G8 meetings including of talks on trade and climate change. India, Brazil and South Africa raised issues related to WTO

negotiations in the G8+O5 meetings in 2007 and 2008. In this context, they emphasised the importance of ‘Special and Differential Treatment’ in agriculture negotiations as well as the significance of ‘Less Than Full Reciprocity’ principle in industrial goods to ensure adequate policy space and flexibilities for developing countries, and greater reduction commitments by developed nations. With regard to climate change talks, they stressed the need for acceptance and implementation of the principle of ‘common but differentiated responsibility and respective capabilities between the developed and developing worlds’.

IBSA Trust Fund

The IBSA Trust Fund, launched in 2003, marks an exemplary model of South-South cooperation that supports developing and least developed countries (LDCs) of the Global South to achieve their broad development objectives. In line with the IBSA forum’s vision and commitment to promoting multilateralism in global policy and decision-making apparatus, the IBSA Fund represents a unique instrument for advancing multilateral solutions to problems of development including the fight against extreme poverty and hunger. Borne out of the need to address shared developmental challenges in the fellow developing countries, the IBSA Fund has emerged as a unique expression of Southern solidarity and helped partner countries to achieve sustainable and inclusive development. Towards this end, the IBSA Fund has played a vital role in strengthening South-centric developmental cooperation and also brought new gravitas to the IBSA partnership. The Fund’s successful journey is evident through completion of about 35 projects in 31 countries. So far, the Fund has accumulated about \$39.43 million in annual contributions which is being administered through the UN Office of South-South Cooperation (UNOSSC), a special body under the UN Development Programme (UNDP).

The projects under IBSA Fund are implemented on the basis of the perceived developmental needs of the recipient countries and focus on activities ranging from skill development, knowledge transfer, capacity building, and delivering technological and institutional solutions. Furthermore, the national ownership of the projects means that recipient countries are fully responsible for implementing the project and in turn, helps to enhance trust among IBSA and partner countries. Over time, the IBSA Fund has undoubtedly proven its value in fulfilling the developmental needs of partner countries in the Global South and to leveraging the synergies among the three emerging economies for improving livelihoods and institutional capacity building in partner countries. The IBSA Fund’s focus on enhancing resilience against a host of societal and environmental challenges is also of great essence amidst the growing uncertainty surrounding climate change, the ongoing COVID-19 pandemic, and the fragility of the global value chains. Given the disproportionate impacts on Southern countries from these challenges, the opportunity beckons for IBSA Fund to deepen its developmental mandate and work towards addressing new inequities ushered due to the COVID-19 pandemic.

The Future Ahead

While, the Pandemic has left deep scars on the lives and livelihoods of ordinary citizens across the world with severe repercussions in terms of potential delays in achieving the SDGs – the fallouts would have severe implications for South Asia, Latin America and Africa to which the IBSA countries belong. IBSA countries have themselves been severely impacted by the pandemic but continue to inspire hope for their respective regions. The perspective that IBSA remains anchored in the development needs of the South gets further reinforced through post-pandemic considerations of equitable access to resources as well as effective roles in global governance. The widespread lockdowns on

economic activity in the wake of the pandemic did not however diminish the global peace and security challenges. Rather most recent developments leave a spectre of extreme uncertainty with instabilities and conflicts spreading in old and new regions. It is rather unfortunate that emerging multipolarity also throws up new and distinct challenges leading to geo-political competition and contestations.

At this juncture when various processes are underway to revive and reform the WTO, IBSA cannot choose to remain indifferent. Unfortunate rise in protectionism, as well as wild run of the pandemic, necessitates reorienting trade for more widespread gains. The WTO centrality of the world trade governance cannot be undermined. IBSA needs to reengage on several reform proposals as well as negotiates on new issues for rediscovering IBSA purpose in the first place as a reliable voice of the Global South.

To reflect the realities of the contemporary world and the challenges faced by the developing countries and LDCs and to make the global governance architecture inclusive and responsive, the three IBSA countries have been cooperating ever since the inception of the trilateral grouping. The three countries cooperated on the issue of ensuring access and benefit-sharing (ABS) within the CBD mechanism (which was eventually agreed with the adoption of the Nagoya Protocol) and have also been arguing for the review of Article 27.3 (b) regarding the protection of Traditional Knowledge to address the serious concern of misappropriation and bio-piracy. On the issue of global health governance too, the three IBSA countries have been cooperating for a long time and this cooperation was very much evident during the Doha WTO Ministerial wherein the Declaration on TRIPS and Public Health was announced. India has recently made some recommendations towards the WHO reforms. The cooperation among the three IBSA countries towards pushing for these reforms collectively would be pragmatic and timely, especially in this post-COVID-19 era.

The IBSA countries are unequivocally supportive of the UNFCCC process, and its key instruments like the Kyoto Protocol and Paris Agreement under the principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC). In recognition of the urgency to mitigate adverse climate change impacts, the IBSA countries are broadly supportive of responsible, comprehensive, urgent, and ambitious actions on climate change, including in the urban environment. In addition to their national plans and commitments, IBSA countries recognize the need for accessing finance and cutting-edge technologies to transition towards a low-carbon economy. Given the large cost of these transitions especially in the Global South, the IBSA priorities for the forthcoming climate change summit (COP26) include a sound commitment from developed countries to fulfill their pledges on climate finance commitments. In particular, IBSA's push for ensuring access to low-cost finance and technologies would be vital towards addressing acute developmental challenges faced by developing countries and also widen the spirit of both North-South and South-South partnerships.

The instrument of the IBSA Trust Fund has already demonstrated the success of the IBSA partnership in promoting developmental cooperation and enabling the weaker countries to achieve common and minimum standards of sustainable and inclusive development. The projects completed under the IBSA Fund show that even modest developmental support provided via the transfer of knowledge, skills, and technologies can go a long way in addressing the perceived needs of developing partner countries and making a genuine effort towards reducing global inequities. The focus of IBSA Fund projects on various interlinked SDGs such as poverty, hunger, and access to clean energy, drinking water, healthcare, and food systems has generated significant value addition and the availability of low-cost finance and technologies for developing countries can meaningfully complement the efforts of IBSA Fund.

2

IBSA and Global Geo-strategies

Introduction

The IBSA Forum of three countries India-Brazil-South Africa from the three continents that form the Global South tasks itself to voice the collective interests of the South in international forums and international politics on issues of peace, security and development. The distinguishing feature of IBSA is that it is a grouping of emerging economies committed to participatory democracy and rule based international order. In a world that is increasingly polarised, where forces of religious fundamentalism and authoritarianism are raising their heads and democratic values are under attack, the role of the IBSA partnership is valuable. The importance of IBSA rises in an international context of changing geo-strategies that impact an increasingly intersecting world. This is a context where the US has pulled out of Afghanistan and Afghan State power has shifted to hands forces that believe in violent capture and enforcement of power and geopolitical competition has sharpened in the Indo-Pacific.

Even as there was a spill over of conflict from Afghanistan to the region around and far beyond, the reality is an international the

challenge for security and human security. Similarly, the naval fleets as well as important commercial shipping lanes support the economic lifeline of the three IBSA countries. IBSA developed interests in broader foreign policy and economic development issues. Regular interactions amongst its leaders and convergence of vision, goals and strategies make IBSA an important dialogue forum for its members. All these issues are relevant and vital currently. The key goal of IBSA is its commitment to UN Reforms and the expansion of the Security Council.

IBSA countries, while being committed to the democratisation of the UN as a whole, believe that the UNSC does not reflect the current world realities. The membership structure of the UNSC inherited after World War II has become anachronistic and defies logic. In its current form, by keeping the Global South out of the international decision-making and with its permanent members enjoying veto power, the UNSC is not as effective as it should be in securing peace and security. The non representative character of the UNSC affects its capacity and legitimacy (Amorim, 2011). IBSA believes that the longer the delay in expanding the UNSC, the greater the difficulties in achieving the UN mandates of peace,

development and security. In this context, the paper contends that IBSA can make a greater mark on international politics, in the field of human security, humanitarian values, democratic and sustainable development by setting an example and by asserting their positions in multilateral fora and in geo strategic issues. All these fields are of national interest to the IBSA. The chapter discusses the relevance of IBSA in the light of emerging global priorities, and inter-alia discusses issues pertaining to reforms of the UN Security Council, UN Peacekeeping, Responsibility to Protect (R2P), and Development cooperation.

Emerging Global Priorities

The IBSA vision is embedded in the ideals of South-South Co-operation (SSC). Several points of convergence bring the three countries together. The focus of IBSA countries has been on addressing inequities, commitment to democratic governance, multi-cultural pluralism, and sustainable development. In the international arena, IBSA countries defend multilateralism, rule-based order and peace; defend and uphold respect for sovereignty; remain committed to maintaining a positive balance in safeguarding both sovereignty and human rights; promote development of people and support trade and economic initiatives between the developing countries of the South. The IBSA countries have taken a lead for the development assistance that all three provide, especially in their region.

Even though they do not coordinate this assistance with each other, they do follow similar paradigms of giving economic assistance to lesser developed countries and has a different pattern than traditional foreign aid. IBSA members believe that there is better leverage in working together for the UN reform and their inclusion in the UNSC. Since there is no permanent representation from Africa with 54 countries, the UNSC lacks legitimacy on the ground especially in Africa. IBSA is the ideal

forum to make convincing arguments for a more representative UNSC. In 2011, all three IBSA members were elected as the non-permanent members of the UNSC and in the coming years they will once again have their turn as the non-permanent members of the Security Council.¹ This opportunity for coordinating the push for reforms and membership to the Security Council is again opportune.

The logic of IBSA collective forum is that all three have legitimacy and support from their peers in the South as well as the North. This is derived from defending the interests of the poorest countries (Friesleben, 2008). The shared political and economic history and development experiences provide significant heft to broaden the remit of their engagement (RIS 2016). All three have significant development and trade initiatives with southern countries and support peace initiatives. All three have a proven record as responsible actors in the international system. IBSA joined with others to ensure an expansion of the Group of Seven (G-7) powerful countries to form the Group of Twenty (G20) which included several countries that had emerged as regional economic powerhouses in the World Trade Organisation (WTO). IBSA along with China had common positions during the United Nations Framework Convention on Climate Change (UNFCCC) and formed the BASIC group to co-ordinate climate change policies.

IBSA countries are seen to have an enhanced agency, as Prof. de Almeida of Brazil argued that they are “out of the classical peripheries and with a growing influence in Africa...” (Thalia, 2012). They have a natural coordination on the international stage, worked together in the UN, and in various international meetings on issues of global concerns like development, climate change and world trade. Since all three IBSA countries served simultaneously as non-permanent members of the UNSC in 2011, they were able to initiate some common positions on international peace and security. In its most ambitious initiatives on security cooperation,

in 2011 IBSA sent a mission to Syria. The IBSA delegation met with Syrian officials and expressed grave concern about the use of force by all concerned parties (MEA 2011). This experience of the IBSA collective on the issue of Syria is an example and precedent on how they can coordinate on the turmoil that is unfolding in Afghanistan. In a situation where every major and regional country will carve a space for itself in a civil war torn region, some moral authority is required that can provide a compass for a negotiated settlement. IBSA can choose to play such a role.

Questions have been raised on the duplication and relevance of multiple forums with similar agendas among a few countries. IBSA countries are members of BRICS also. BRICS has created economic institutions at a fast pace and some analysts argue that BRICS has marginalised IBSA. It is argued that the West sees value in BRICS (Fraser, 2012). BRICS and IBSA have developed some coordination, and in the final declaration at the sixth BRICS summit in Fortaleza, Brazil, Russia and China reiterated the importance of IBSA countries in international affairs and argued that they should play greater role in the UN and expand UNSC (Sixth BRICS Summit 2014). BRICS has economic, financial and infrastructure interests as its goal. The focus of BRICS countries is on changing the West dominating financial order and getting a greater policy-making role for emerging economies of BRICS. IBSA on the other hand is focussed on security reforms and reforming the UNSC, which is not central to the BRICS agenda. There is a view that counter-poses BRICS and IBSA with NAM. However, many regional and multilateral organisations co-exist and are needed for dialogue and cooperation. There is no conflict of interests between these groupings. IBSA countries are members of the G-20. IBSA is an integral part of G-77 and these countries have dynamic relationships among themselves. They initiated a G20 grouping in WTO at Doha Round. IBSA like G-20 is an informal grouping of non binding nature and is not a bloc.

IBSA and the Security Council

IBSA countries were at the forefront of debates that asked for Security Council reforms since 2000, and more so since 2008, when the proposals for 'Intergovernmental Negotiations' took on the task of moving forward the proposals of the Open-Ended Working Group (on increasing membership of the UNSC). The latest IBSA Joint Ministerial Statement on Reform of the UN Security Council, issued on September 16, 2020, called for the international community "to redouble efforts and bolster commitment to achieve tangible progress to an accelerated and comprehensive reform of the Security Council" (IBSA Ministerial Statement 2020). The IBSA forum has consistently championed the cause of UNSC reforms through successive ministerial statements and declarations towards enhancing the representation of emerging and developing countries in institutions of global and multilateral governance.

The African Union (AU) has a clear mandate on the UNSC reforms and opposes in principle the veto powers of the UNSC members but believes that while it exists, this power should be available to all permanent members of the UNSC.² The AU will be mandated to choose the African representative to the UNSC, based on its own selection criterion and determined by the capacity of the one chosen. India and Brazil have similarly argued that the UNSC is 'completely out of tune' with global realities and does not serve the real international interest and that it should have representatives from the three southern continents. India has suggested a discussion on the use of veto powers which could lead to consensus.

Pressure from the leading countries of the South and others has led to a widening of the UNSC reports that put more focus on global conflicts. IBSA states have collectively argued that the UNSC reports should be more analytical and not just a narration of events. At the 61st session of the UNGA (2006-07) IBSA countries have proposed a vote on the

Working Group on the UNSC reforms. They proposed 'Intergovernmental Negotiations' on reforms, and specifically for an expansion of the permanent category. IBSA needs to revive these co-ordinated interventions. IBSA is different from the Group of Four (G-4) that consists of India, Germany, Japan and Brazil, in that it came together to strategise for a seat in the Security Council. It has strengthened the positions of its member countries. But the G-4 did not have a representative from Africa and did not represent the interests of the South. IBSA, in a way, stands on the shoulders of the G-4 and works with other groups that want reforms of global governance.

IBSA and UN Peacekeeping

On the geo-strategic front IBSA's collective importance lies in its contribution to UN Peacekeeping (UNPK). Contribution and participation in UNPK are part of their foreign policy interest. UNPK has a normative rationale and is important for regional and global security.

- Brazil has contributed to nine missions, including in Lebanon and Haiti.
- South Africa has been part of 14 international peace operations and seven in UNPK.
- India is the largest contributor to UNPK and has participated in more than 44 peacekeeping missions, with a total troop contribution of nearly 180,000 troops and a significant number of police personnel.

All three countries have extended different types of support to peacekeeping. South Africa's focus is on peace in Africa and does not want deployment of its forces outside Africa. Conflict prevention, mediation and post conflict reconstruction methods and strategies are part of South African foreign policy focus. South Africa works with the AU on peace keeping. They believe that deployments for conflict prevention serve political and economic interests. South Africa has deployed troops in the Democratic Republic of Congo and Sudan.

India, as a major troop-contributing country, has asked for more robust measures for UNPK such as better security and intelligence support. India has in the past supported an Afghan-led and Afghan owned peace and reconciliation process (UN News, 21 November 2013).

Conflicts spill over from conflict sites and impact the region and beyond. The current conflicts in West Asia are flowing beyond the region and impacting Asia and Europe in multiple ways. IBSA countries argue that their support for peacekeeping is linked to development that hinges on peace and security. IBSA countries have stated that the major contributors should have a greater say in UNPK operations. The situation in Afghanistan and the takeover of the Afghan government by the Taliban portends ill for India and the entire world. To maintain peace at a time when existential threats like climate change, global pandemics are on the rise, neutral and sensible voices are of importance. IBSA thus needs far better co-ordination than that they had in the past few years, where they have allowed the forum to get on the back burner.

IBSA and the Responsibility to Protect (R2P)

The need for states to protect their populations from genocide, war crimes, ethnic cleansing and crimes against humanity has been the basis of debate generated in the UN on the Report - '*The Responsibility to Protect: The Report of the International Commission on Humanitarian Intervention and State Sovereignty, 2001*'. This led to, the United Nations World Summit Outcome Document (2005).³ The three R2P pillars are:

- Pillar one: The state has primary responsibility to protect its population from genocide, war crimes, ethnic cleansing, crimes against humanity.
- Pillar two: The international community must encourage and assist states in exercising this responsibility.

- Pillar three: If a state fails to protect its population from these crimes, the international community must be prepared to take collective action to protect that population, in cooperation with regional organisations and in accordance to the UN Charter. (Office of the Special Adviser on the Prevention of Genocide, 'The Responsibility to Protect', 2015)

Brazil played a lead role in conceptualisation of R2P.⁴ Consequently, in Latin America, the Organisation of American States (OAS) has the mandate to step in if a military government takes over and displaces a civilian one (Ferreira, 2012). The founding document of the African Union i.e. the Constitutive Act 2002 and its article of 4(h) in 2005 accepted the principle of protecting human rights and gave the AU the right to intervene in member states that committed war crimes, genocide, and crimes against humanity. Having played a leading role in developing this concept, the AU in 2005 welcomed and accepted the R2P as a tool to prevent mass atrocities.⁵ In this discussion, India's position articulated by its Permanent Representative puts forward a case for R2P, where pillar 3 on intervention should be used only on case by case basis and only after all measures had failed (Puri, 2011 & 2013). India linked up with Non-Aligned Movement (NAM) countries to balance this with the issue of sovereignty. India accepted R2P after much debate in 2009, when it convinced members of the UN that there was a need to raise the threshold of intervention.

Differences on the issue of R2P based intervention are bound to remain. For example, Brazil and India abstained from the UNSC resolution (SCR 1773, 2010-2011) which was supported by South Africa that authorised the use of force in Libya.⁶ IBSA countries have stated that even when there are human rights abuses and non-militarist interventions, non-interference should be upheld. Their position is to respect the sovereignty and balance it with

a respect for human rights because military intervention violates rights. IBSA countries favour multilayered and moderate approach to R2P and advocate conflict prevention and resolution through dialogue and engagement, which are consistent with the foreign policy of all three countries.

Development Issues

IBSA should expand its development cooperation programmes for capacity building, social sector development, and production development and provide financial support to other developing countries. As successful democracies which have strong institutions such as constitutionally independent bodies including autonomous election commissions, independent judiciaries in their countries and constitutional safeguards of fundamental individual rights, IBSA should be ready to share its experience and contribute to capacity building in sister developing countries. The IBSA Trust Fund is the facility created for poverty and hunger alleviation. This has been a modest three million US dollars a year Fund. Its utilisation has been mainly on projects related to sustainable development and the feedback from the projects has been positive. Some examples of this funding are:

- Support projects in the State of Palestine, (Gaza and West Bank)
- Guinea-Bissau: project on agriculture to train 4,500 farmers, half of whom are women
- Projects in Vietnam, Laos, Sudan, South Sudan, etc.
- Cape Verde: support to health units
- Haiti: post earthquake reconstruction.

IBSA countries have committed to the various international resolutions on gender equality, to Security Council Resolution 1325 on Women's participation and leadership in peace and security. The IBSA Declaration on South-South Cooperation issued on June

05, 2018, reiterated the need for balancing social, economic, and environmental pillars of sustainable development. Recognising the need to foster capacity building, transfer of skills and technologies for sustainable development, the IBSA declaration underlined the need for responsible financing for development cooperation. Furthermore, in March 2021, with India as the chair at the Sixth IBSA Forum, commitments were made to the Beijing Declaration and Platform for Action, 1995 and to the Sustainable Development Goals.

Way Forward

This chapter has discussed in detail, the avenues for geo-economic and geo-strategic convergence between IBSA countries. As a grouping of Southern democracies, IBSA has time and again demonstrated its commitment to furthering peace and development in the global south and in the wake of emerging challenges to peace and security emanating from terrorism, the use of disruptive technologies, IBSA should review the situation in Afghanistan and revive cooperation on international terrorism to avoid Afghan territory to be used by militia groups for launching terror attacks against others. IBSA can particularly lead the efforts to prevent threats from terrorism and violation of human rights.

On global governance reform and especially the expansion of UNSC membership, the IBSA countries could reiterate the demand for representation from Southern countries in the UNSC. With many contemporary security challenges including ethnic strife, insurgencies, and democratic movements emerging in different parts of the world, the meaningful expansion of UNSC is essential and IBSA countries should proactively support the intergovernmental negotiations and strive for a swift decision on modalities of UNSC reform and expansion. The IBSA countries have already developed successful cooperation in areas like maritime security. There is clearly a strong need for these countries to further

expand cooperation in this sphere and initiate a dialogue on maintaining free and open maritime spaces across oceans and continents.

The IBSA conference on peace and security in the Indo-Pacific would be a timely initiative in this regard. Such cooperation would also bring more gravitas to the IBSA forum and take the cooperation to next level of strategic partnership. As the Brazilian diplomat Ambassador Amorim, who played an important role in IBSA and the expansion of the G-20, stated that: “IBSA was created as a lighthouse for policy formulation and SSC” (Amorim, 2011). IBSA has initiated a process of working closely to achieve a more representative, democratic and transparent international system which should be reflected in the UNSC. IBSA’s strength lies in taking up and pursuing human security and human development issues, and representing the voices of the Global South.

Endnotes

- ¹ RIS (2016), See, IBSA and Global Geo-strategies in “Trinity for Development, Democracy and Sustainability”, RIS. 2016. URL: <http://www.ris.org.in/trinity-development-democracy-and-sustainability>.
- ² The African Union (AU) position on UN reform is the Ezulwini consensus
- ³ The background was the large scale genocide and war crimes in the conflicts in Somalia (1993) Rwanda genocide (1994), Kosovo (1999), Darfur (2003).
- ⁴ Brazil proposed the concept of responsibility while protecting after Libya, SEE, <https://www.sipri.org/node/409>.
- ⁵ Francis M. Deng, the South-Sudanese diplomat was one of the early proponents of the concept and played a vital role in its development and popularization.
- ⁶ See, Karen Smith (2016) for broader tensions in South Africa’s foreign policy, particularly around the promotion of human rights. Smith K. South Africa and the Responsibility to Protect: from champion to sceptic. *International Relations*. 2016; 30(3): 391-405. doi: 10.1177/0047117816659596.

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3

Surging Regional Economic Partnership: Triangular Cooperation in IBSA Trade

Introduction

Resurgence of South during the last two decades was the outcome of persistent efforts of certain pressure groups within the developing countries in a limited manner to empower other southern states with their narrow resource base. The trilateral grouping between the southern countries—India, Brazil, and South Africa (IBSA), had been actively engaged in the spirit of South-South Cooperation (SSC) (Arkhangelskaya, 2010). IBSA has been described as ‘central axis of the South’ and ‘hard core’ of the G-20, paving the way in shaping the global trade agenda (White, 2006). The regional members, existing in three continents, are extending support to the countries of the South in promoting their trade and simultaneously strengthening their own trade with the North-South and South-South groupings (RIS, 2016). In this context, the power to strengthen endeavors of southern states for development by IBSA countries is very much contingent on their cohesiveness in working together for south and their own financial position to support their actions in a comprehensive manner. For meeting the above objective, consolidation of trade within IBSA is of paramount importance.

Since its inception in 2003, IBSA members have not exercised their foremost attention to advance intra-regional trade (IRT) in an aggressive manner. As IBSA members are large open economies, growing trade between regional economies could have offered a sturdier and more resilient surge in trade among them. The members of the grouping could have embarked on their existing synergies in diverse sectors, though they are a set of heterogeneous economies. Of course, India, Brazil and South Africa are emerging as regional economic powers in their respective continents and in the global South (Lechini, 2007; Kornegay, 2011; Brewster, 2010; Lee and Lee, 2012). Each of these economies has a distinct specialisation and can emerge as trade hubs for specific sectors. Shaw *et al* (2007) observed that Brazil in agriculture as well as mining, and South Africa in global supply chains of automotive parts and trade in services, can serve as regional hubs for IBSA. India can serve as a hub for several sectors including pharmaceuticals, textiles, and software products. Regional specialisation in trade, particularly in goods and services can develop this region as an intensive space for trade.

The group can press for a new trade geography which can change the texture of the global trade and can lend support to SSC (Taylor, 2009; Sandrey and Jensen, 2007). The effective use of existing PTAs and strengthening them with the needs of the present time, regional trade among member countries in high performing and low hanging sectors of the region can be prioritised for brisk trade. In this regard, efforts towards the IBSA mandate of 2006 for a tri-continental free trade agreement (FTA) may be initiated on a fast track. The IBSA initiatives of the trilateral forum and trilateral commission are making efforts to pursue FTAs between Mercosur and India; Mercosur and SACU; SACU and India within the shortest time horizon (Stephen, 2012). There was a discussion about a more comprehensive FTA between countries of SIM-SACU, India, and Mercosur (Mohanty and De, 2007). With such a trilateral arrangement covering three continents, it would open a new vista of trade opportunities for member countries. Member countries of SACU and Mercosur can open their production facilities in India to trade with the countries in the whole of Asia. Similarly, India and others can get space in other continents to promote production and trade activities. This initiative would promote the deepening of regional cooperation with trade & investment.

IBSA forum was created to increase trade between the member countries through cooperation and to generate considerable benefits for the region (Bratzel, 2011). Since then, several initiatives, like the IBSA Working Group on Trade and Investment, IBSA Business Forum, have been initiated and many agreements, like the IBSA Action Plan on Trade Facilitation for Standards, Technical Regulations and Conformity Assessment with formal and informal meetings with public and private stakeholder, have been signed under the framework of IBSA to promote regional trade (IBSA Forum, 2006).

With eight sections in this chapter, we begin with a review of the macroeconomic dynamics of the grouping and the impact of the recession and COVID-19 pandemic on the macroeconomic fundamentals in section 2. The next section analyses the trend in trade liberalisation in IBSA member countries and identifies sectors that have been liberalised and protected during different global trade regimes. Section 4 provides overall trade trends and structure of IBSA trade with the world economy. A detailed analysis of the overall and sectoral intra-regional trade has been conducted in Section 5 which is followed by an estimation of trade in strategic sectors such as Global Value Chains and technology-intensive sectors in Section 6. The export potential of IBSA countries is analysed in the region in Section 7 and Section 8 concludes and presents policy recommendations.

Macroeconomic Dynamics

IBSA is an expanding dynamic regional grouping with a total GDP of \$5.9 trillion, characterised by high growth and a resilient economy, which slowed down gradually in the first episode of the global recession and more awfully in the second episode of recession. The region posted high growth in the range of 5.1 per cent to 6.6 per cent during the global buoyancy spanning over the period 2003-07. With the onset of the global recession, the growth performance of the region moved southwards with an average growth rate of the region declined from 4.5 per cent in the first phase (2008-12) to -1.6 per cent in the second phase (2013-20). In short, the overall growth performance of the region during the recession declined to 2.8 per cent in average during the period of the recession compared to 5.9 per cent during buoyancy. The continuation of recession had a major toll on the per capita income of the region. It increased from just \$1 thousand in 2003 to \$3.2 thousand in 2011 despite recession since 2008, but declined significantly to \$2.6

thousand in 2020, showing strong retrogression of purchasing power in the region, as shown in Figure 1.

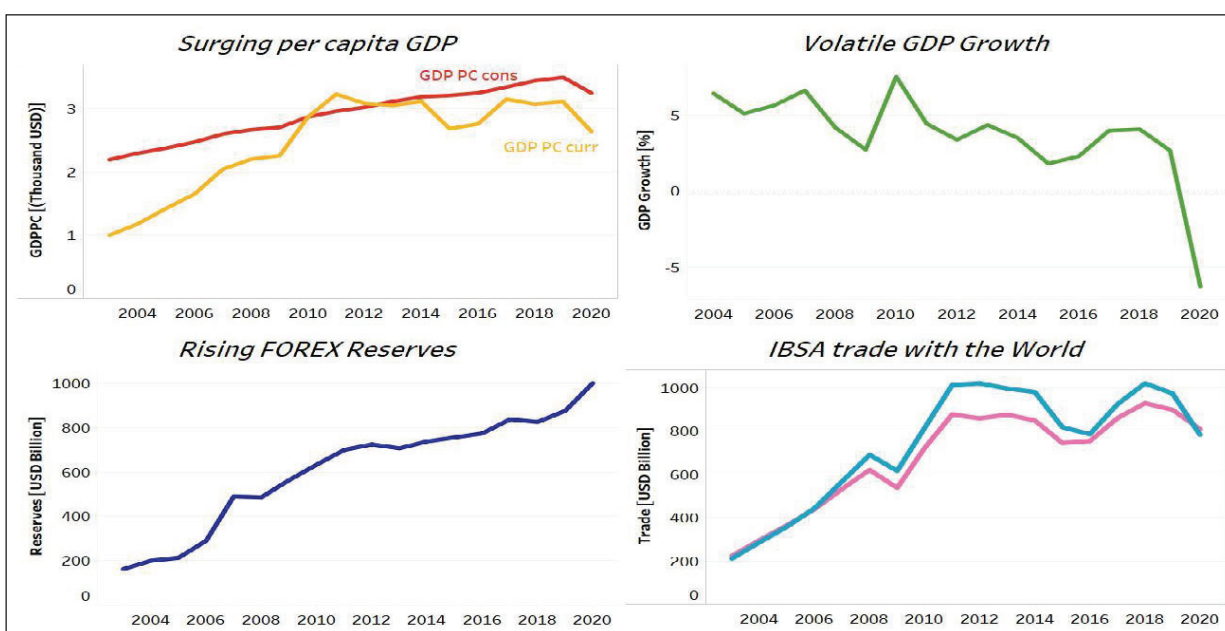
The reasons for sluggish growth rates registered by different member countries during the second phase of the recession were diverse. Summarising the modest growth performance of South Africa since 2017, AfDB (2019) found that the growth rate of GDP was low in 2017 and 2018 on account of numerous factors confronting the country. Among others, the country witnessed low sovereign credit rating and the low public as well as private investment in these years. Growth performances of the manufacturing and services sectors were subdued and contributed marginally to already low GDP growth. However, household consumption was buoyant and favourable drought conditions in several provinces contributed marginally to the growth of the agricultural sector and hence to GDP growth. There was marginal improvement in

the country's GDP growth in 2018 and 2019.

Similarly, the economic situation in Brazil continued to be under strain on account of the pressure of the prolonged recession. Since the Euro Zone Crisis, Brazil grappled with several changes such as worsening of fiscal stability, unabated corruption, surging of ageing population, crowding out of private investment by the public investment, absence of a well-developed financial market, low saving, contributing to a considerable level of volatility in its growth performances (Mohanty *et al.*, 2019; OECD, 2018). Schrooten (2011) observed that India was a resilient economy when the recession struck the world economy. In the first year of recession in 2008, the growth rate was subdued but it overcame the pressure by posting a higher growth rate in 2009.

However, India faced an unprecedented growth debacle in 2020 and such development challenges have affected India since 2017. OECD (2019b, 2021) observed that the recent problems

Figure 1: Resilience of IBSA in Selected Macroeconomic Variables



Source: Authors estimation based on World Development Indicators, World Bank, 2021

relating to GDP growth were due to low level of private investment, relatively high debt ratio, rising unemployment, growing non-performing assets in the banking sector, surging inflationary spiral and high interest rate, among others. However, India's GDP growth rebounded in 2021 with growth rate posted at 20.1 per cent in the first quarter of 2021 (GoI, 2021a). The growth surge was due to pent-up demand for consumer and investment goods, export surge, accelerated manufacturing growth, rising household consumption, growing Gross Fixed Capital Formation (GFCM) and surging activities in the construction, manufacturing, and hotel industry (OECD, 2021; GoI, 2021a).

The employment situation remained grim in the region during different trade regimes where the growth rate of the labour force was reported at 1.7 per cent during buoyancy and slumped down to 0.3 per cent during the entire period of recession. Though the population growth rate declined persistently for the region, it remained much higher than the growth rate of the labour force, showing a bleak employment situation in the region. The resource gap of the region between savings and investment continued to be low during the recession but the resource base was partially supported by the inflow of FDI and remittances. The inflow of FDI was buoyant during 2003-11 and turned out to be recessionary on a continuous basis during 2012-19 except for the years 2014 and 2018 because of the low base of the FDI inflows.

With a view to raise inclusive growth, employment and the environment of innovation, India undertook a series of reform measures with changing regulations and launching several innovative schemes like 'Make-in-India' to facilitate the inflow of FDI for several sectors. Efforts are made to facelift business conditions in the country to facilitate the transfer of technology and increasing productivity in the manufacturing and other related sectors (OECD, 2019a).

The region is known for its strong adherence to the external sector, but the efficacy of the sector was adversely affected by the recent spate of recession. In the acute phase of the global recession, the region's openness touched nearly 50 per cent of GDP and the region witnessed its growing share in the trade sector during the last two decades. The region was having a total trade of \$1.6 trillion dollars in 2020 and crossed \$1.9 trillion in 2018.

During the period of buoyancy, exports compounded at the rate of 24.4 per cent, but the growth rate declined substantially to 8.5 per cent during the first phase of recession and further entered the red zone in the form of a negative growth rate in the second phase of recession. Region's imports are found to be more sensitive to the global trade regimes than exports. The experience of the region indicates that imports grow much faster than exports during buoyancy and declines faster than exports during the recession. This syndrome in the trade sector supports the region in keeping a tag on the trade imbalance in the region. Though trade has been the driver of growth of IBSA countries, the performance of trade in the goods sector is somewhat different from that of trade in the services sector.

Though overall trade of the region enjoyed the trade surplus, the trade balance in the goods sector was persistently having a trade deficit since 2007. The reversal in the trade imbalance of goods was covered up by the trade surplus generated in the trade in services (TIS). Though small in the size, TIS has been expanding more rapidly than the goods sector during 2003-20 and almost reached a quarter of the overall trade in goods of the region in 2020. Services exports registered a 5.7-fold rise as compared to a 3.5-fold rise in exports of goods whereas imports in goods grew much faster than services imports. Since imports in goods expanded faster than exports in goods, the reverse was the case with the services trade, where the trade deficit in the good sector was overcompensated by

the trade surplus generated in the trade in the services sector.

Trade imbalances in the IBSA region were partially contributed by South Africa like others. In a three-gap model framework, the trade gap of the country was explained by the combined force of resource gap (between savings and investment) and revenue gap (represented by the fiscal gap). In 2016 and 2017, the fiscal deficit was running high due to weak growth performance and sluggish household savings. Though global commodity prices were buoyant, weak global demand dampened export prospects of minerals in the country. The external conditions for the mineral sector aggravated the balance of trade situation in South Africa (AfDB, 2019). Other countries in the region had a similar situations.

During the recession, TIS received a strong impetus to maintain sectoral trade surplus persistently over the years. The region was quite comfortable in managing its forex position and total foreign exchange reserves crossed the one trillion-dollar mark in 2020, as represented in Figure 1. During the global buoyancy and recession, the overall trade situation dwindled to a large extent, but foreign exchange reserves were strongly insulated from various endogenous and exogenous shocks. In the entire phase of recession, the volume of forex was depleted temporarily in specific years such as 2008, 2012 and 2018. All member countries are comfortably placed in managing their forex reserves, reflecting the sturdiness of the region in meeting external sector challenges.

Decline of Growth amidst Macroeconomic Stability

Though all the IBSA countries are categorised as emerging nations, the literature suggests that there has been diversity across the members in their growth performance (Beath, 2006). Brazil, among the three IBSA states, grew fast in the last 1960s and 1970s. However, since then, the country has recorded negligible GDP

growth with high macroeconomic instability. As opposed to Brazil, South Africa experienced less volatile economic growth, but the growth had been trivial. Since the 1980s, except a brief reform period in the 1990s, India recorded a surge in the level of per capita growth ranging from 2 to 7 per cent, just before the pandemic.

The IBSA region was hit hard during the peak phase of the pandemic in 2020. Possibly 2020 was the worst year for the world economy including the IBSA region in our current memory. India envisaged becoming a \$5 trillion by 2024-25¹, but the pandemic derailed the ambitious growth target of the country. Similarly, long term growth strategies drawn by Brazil and South Africa were also adversely affected by the Covid-19 situation. Although all member countries in the region registered negative GDP growth rates, Brazil performed better than the other two member countries in the sense that it was having a negative growth rate but remained the least among all of them. While Brazil posted a real GDP growth rate of -4.1 per cent in 2020, India and South Africa recorded the growth rate at -8 per cent and -7 per cent respectively, as shown in Table 1. In the same year, real per capita income declined much faster than GDP growth in IBSA countries, contributing to the rising of the existing class of “new poor” during the period of pandemic.

The macroeconomic scenario of the region demonstrated that growth performances of the IBSA countries were a major failure at the individual country-level because of unprecedented developments in quick succession but overall macroeconomic fundamentals remained in order. Despite the pandemic, the fundamental macroeconomic parameters of these countries remained unchanged. Indicators such as consumer price index, forex reserves, months of holding of forex requirements, current account deficit, the balance of trade situation, debt repayment position, etc. remained under the permissible limit, showing the stability of macro-economic

conditions of the region. These developments in member countries prompted both the IMF and the World Bank to forecast a robust recovery of the regional economies in 2021.

During the turbulent period where the external sector was adversely affected by the health emergency, the forex reserves situation was comfortable for all the regional partners. During the crisis phase where these economies were crippled with domestic production shortages, ranging from medicines, medical devices, food products, intermediates for industrial activities, etc., requirements of forex were at the peak for these economies like many others across the globe. As the region was holding a large forex reserve of over one trillion dollars, South Africa, India, and Brazil each maintained reserves for 7.2, 13, and 16 months, respectively. These countries could manage their own economies and helped

other needy countries in both cash and kind. Though countries faced internal shortages and high debt ratio but could not face any formidable challenge in their external sector front, particularly imports of essential products.

The pandemic situation created a large reservoir of 'new poor' in each of these countries following the shrinkage of per capita income and the risk of urban job security. In the relative distribution of the labour force compared to the total population, Brazil stood better than India during the period of the pandemic. Even though all of the IBSA countries are large in their respective continents, India has the largest regional population, followed by Brazil and South Africa.

Because of the pandemic situation, loss of employment coupled with declining household and corporate income has resulted in declining in the savings ratio. Gross savings ratio and

Table 1: Macroeconomic Status of IBSA countries, 2020

Variables	Brazil	India	South Africa
GDP			
GDP (constant 2010 US\$) (Bn)	2268.5	2706.6	400.2
GDP (current US\$) (Bn)	1444.7	2623	301.9
GDP per capita (constant 2010 US\$) (Thou)	10.7	2	6.7
Population			
Labor force, total (Mn)	99.8	471.7	21.7
Population, total (Mn)	212.6	1380	59.3
Remittances			
Personal remittances, paid (current US\$) (Bn)	1.6	7	0.9
Personal remittances, received (current US\$) (Bn)	3.6	83.1	0.8
Finance			
GFCF (% of GDP)	16.4	26.7	12.4
Gross capital formation (% of GDP)	15.4	28.4	12.4
Gross domestic savings (% of GDP)	16.8	28.3	17.6
Gross savings (% of GDP)	15	30.2	14.8
Inflation, CPI (annual %)	3.2	6.6	3.2
Trade			
Exports of goods and services (% of GDP)	16.9	18.1	30.5
Imports of goods and services (% of GDP)	15.5	18.4	25.5
Merchandise trade (% of GDP)	26	24.7	56.3
Trade in services (% of GDP)	5.3	12.2	5.8
Trade (% of GDP)	32.4	36.5	56

Source: World Development Indicators, World Bank, 2021

gross domestic savings ratio to GDP remained low for both Brazil and South Africa, compared to India. However, the gross capital formation ratio converged to the gross domestic savings ratio for all members of the caucus, resulting in limiting the domestic resource gap to expand in these economies. The inflow of personal remittances as a percentage of GDP was buoyant for India but not much for other members. Similarly, FDI inflows were not much for the region. Inward FDI ratio to GDP was negative for Brazil and South Africa whereas, it was just 0.4 per cent for India in 2020. Poor domestic resources in the region and weak foreign inflows brought down the growth performances of the regional economies. Macroeconomic management of the regional economies was sound where CPI-led inflation and GDP deflator were put under control.

In the second episode of recession, IBSA countries were entangled with inflation of varying degrees in different periods. Brazil continued to have subdued inflation in 2020 but picked up rapidly in the 1st quarter of 2021 to reach 7.5 per cent. OECD (2021) has forecasted inflation to surge in the remaining quarters of 2021. India's wholesale and retail inflation rates were over 6 per cent in 2020. But it came down substantially to 5.6 per cent in July 2021 and further to 5.3 per cent in August 2021 (GoI, 2021b). It may be noted that Consumer Price Index (CPI) was 6.7 per cent in August 2020 but rebound sharply in August 2021.

South Africa was having an inflationary rate of 5.3 per cent in 2016 due to high food prices. This caused the real effective exchange rate to appreciate, leading to a loss of competitiveness of the external sector. New tax policy brought in an upward revision of value-added tax (VAT) which provided the impetus to push inflation further (AfDB, 2019). However, inflation was under control in South Africa and was well within the permissible limit of the Reserve Bank of South Africa (OECD, 2021). The inflationary situation in IBSA is gradually improving in some member countries.

Regional economies of IBSA are mostly service-led and more than 60 per cent of GDP was steaming from the services sector in the case of Brazil and South Africa whereas nearly half of GDP was from the same sector in the case of India. The agriculture sector plays a pivotal role in India to prevent further deterioration of industrial activities. The growth of the industrial sector was better than agriculture, but manufacturing activities were subdued in the region. In the event of returning of buoyancy in 2021 as predicted by the IMF and World Bank, this would make suitable corrections in the sectoral imbalances of the regional economies.

The trade sector was adversely affected by the pandemic where exports of the region declined by -9.9 per cent and imports by -19.6 per cent in 2020. In this year, India shared 58.5 per cent of the exports of the region and 59 per cent of imports respectively. Trade openness reduced to over one-third of GDP for Brazil and India, but it continued to be robust for South Africa which stood at 56 per cent of its GDP in 2020. In trade in services, India took the lead in the contribution of the sector to its GDP which was double the sectoral sizes of Brazil and South Africa. In the merchandise trade, the share in the GDP of South Africa remained robust compared to its regional partners in 2020.

The resilience of IBSA economies from the external market conditions can be seen from their recovery status between the COVID-19 waves. OECD (2021) estimates a tremendous increase in India's merchandised trade at the end of the 1st quarter of 2021. The financial markets in India are also attracting domestic and foreign investors. The surge in exports and imports is also accompanied by a record increase in foreign exchange reserves, providing a buffer for any future lockdowns. It has also been estimated that increased demand for consumer durables and manufacturing exports in goods and services will positively effect India's economic growth in the future. Brazil, on the other hand, experienced a strong recovery

at the end of 2020, where it is expected to rise at 5.3 per cent in 2021 (IMF, 2021).

Though Brazil's growth was subdued in the first half of 2021, it is expected to rebound in the second half of the year which would be led by household consumption with an effective vaccine rollout (OECD, 2021). Brazilian exports are estimated to benefit from the global recovery in agriculture and mineral sectors. The South African economy, similarly, is expected to recover in the latter half of 2021 with an increase in domestic demand, commodity exports and private investment. The country is expected to grow at 4 per cent in 2021 (IMF, 2021). The COVID-19 vaccination coverage is increasing which would help in achieving the forecasted growth rates in the IBSA countries.

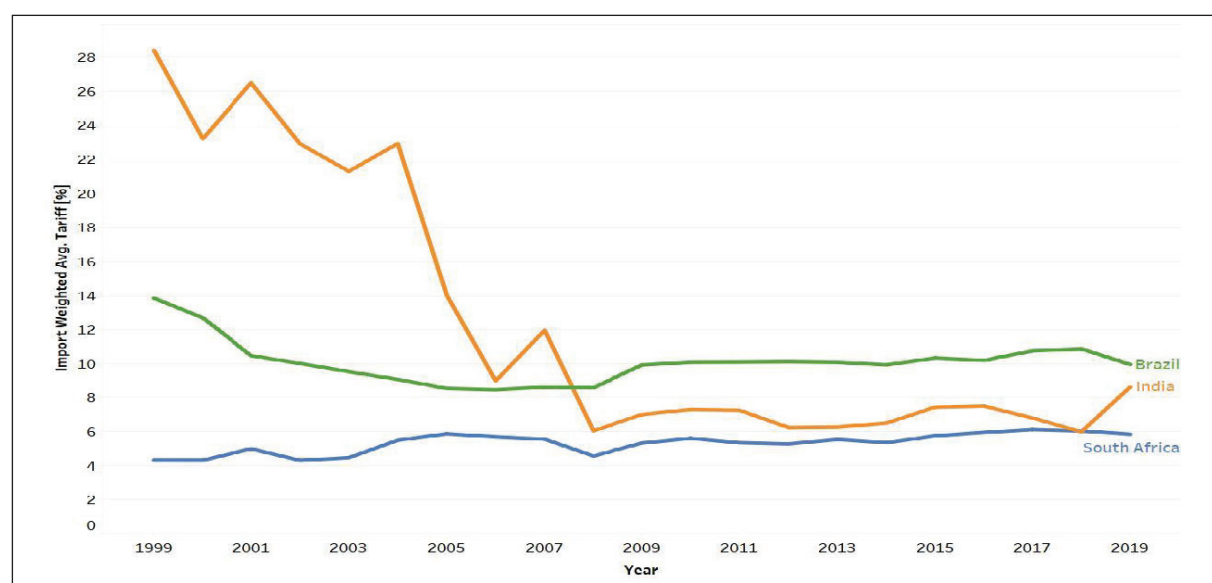
Convergence of Trade Liberalisation in the Region

While the global economy was reeling under the 'Asian Financial Crisis' since the latter half of the 1990s, IBSA countries were placed in different levels of tariff regimes. South Africa was the

most liberalised economy among the regional members and India and Brazil continued to be the protected regional economies (UNCTAD, 2004; Milder and Husar, 2008). Each IBSA member had a high number of tariff lines and a huge divergence in-bound and applied tariff rates (Mutambara, 2012). It is important to note that Brazilian tariff structure – high tariffs, tariff escalation on finished, tariff peaks and export subsidies, has reflected protectionist behaviour of the country on the South African exporters (Soko, 2006; Marconini, 2005).

In addition to the high tariffs, non-tariff barriers in the region have hampered the intra-regional trade in IBSA (Mutambara, 2012). However, regional economies had major strides in liberalising their tariffs along with NTBs to a large extent. In the tariff segment, several tariff lines have been made to become zero. The number of products under peak tariffs declined significantly over years. Since the late 1990s, tariff regimes started converging among IBSA member countries. Although near convergence of tariff rates was observed

**Figure 2: Trends in Regional Tariff Liberalisation
(Average Import Weighted Tariffs, %)**



Source: Authors estimation based on World Integrated Trade Solution (WITS), World Bank, 2020

during the onslaught of the global recession, substantial macroeconomic policy reforms started in these countries in different periods. While India initiated the policy of liberalisation in the mid-1980s, Brazil and South Africa started the process of liberalisation in the early 1990s (Arnal and Forster, 2010).

Import weighted average tariff (IWT) was estimated for IBSA member countries for the period 1999-2019 as shown in Figure 2. By the time IBSA was formed in 2003, these economies were on their liberalisation path. In 2021 the regional caucus is about to complete two decades of its existence and during these years, the region moved towards a convergence of tariffs. The average import weighted tariff was 17.9 per cent in 1999 and it turned out to be 6.95 per cent in 2018 after two decades of its formation, without any trade agreement and any time-bound forced liberalisation of tariffs among the regional members.

In 2003 on the average regional IWT was around 14 per cent where both Brazil and South Africa's tariff rates were in the single-digit and the same for India was in double-digit figures in 2003. During the period of global buoyancy, Brazil and India were on the path of rapid tariff reduction whereas the average IWT of South Africa was over 5.5 per cent. With the onset of the global recession, commitments towards tariff liberalisation were changed where India continued its liberalisation path, both Brazil and South Africa resented liberalisation. With the prolongation of recession beyond the first phase of recession (2008-13), regional economies remain reactive to the global surge of tariff rates.

Region's average IWT declined from 8.6 per cent in 2014 to 6.95 per cent in 2018, indicating smooth liberalisation. The policy of raising the level of tariff by the regional economies was the response to the global reaction to the continuation of the recession. In the latter half of the 2010s, regional economies chose to go for further liberalisation amidst the

continuation of recession. However, by 2018 all regional economies returned to further tariff liberalisation, and the average IWT reduced to 6.95 per cent in the same year. Reversal of tariff liberalisation surfaced again following the rise of tariff by India in 2019. Despite frequent changes in tariff structure by individual member countries, the average IWT was almost within the range of 6 to 10 per cent among IBSA members since 2008. Post-pandemic era may witness a further decline in the average IWT of the region.

Pattern of Sectoral Tariff

After years of tariff liberalisation and continuation of recession close to one and half decades, several global economies resorted to the policy of reversal of trade liberalisation. Country specific policies such as 'be American buy American' were reflections of the reversal of liberal trade policies during the recession. As a protective measure, IBSA member countries adopted marginally protected policies during the second phase of the recession, but several of them followed the path of liberalisation again in the recent years.

In 2019, IBSA countries were visibly more liberalised than they were in 1999 and before. Though IBSA countries are different from each other in their access to resources, the level of sectoral competitiveness differs significantly among them and hence their sectoral protection, resulting in varied negotiation strategies at the WTO (Flemes, 2009). Brazil, being a member of the Cairns group, defends a more liberalised agriculture sector with protective manufacturing and services sector. Despite strong variation in their sectoral interest, there have been a certain degree of commonality existing between them. All three countries were the initial signatories of the WTO, industrializing through import-substitution policy with promoting neo-liberal reforms (Sotero, 2009). Therefore, one can observe a similar level of sectoral tariff structure existing

between them. Sector-wise IWT are presented in Table 2.

Among the IBSA member countries, the agricultural sector is highly protected in India but not in Brazil and South Africa. Both Brazil and South Africa are members of the Cairns Group, strongly in favour of agricultural liberalisation globally. India has a different stance on agricultural liberalisation because of its large population engaged in agriculture. Thus, the opening of the floodgates of agricultural trade may jeopardise the livelihood security of millions in the sector. In 2019, India's agricultural sector was highly protected, particularly fats & oil and processed food sectors. In this regard, the tariff structures of Brazil and South Africa were similar to a

large extent. Since IBSA countries are mineral-rich countries, average tariff in these countries is low.

In the manufacturing sector, all the three countries are comparable with average tariff rates applied at 13 per cent, 14 per cent and 16 per cent in Brazil, India, and South Africa, respectively (WTO, 2008). However, the tariff variation rises with a higher degree of disaggregation of products. One sector which was commonly protected, before the recession, in all three countries is automobile sector with tariffs as high as 35 per cent in Brazil, 40 per cent in South Africa and around 100 per cent in India (Milder and Husar, 2008). Though IWT in the automobile sector is moderate because of high concentration of peak tariffs but is still a highly

Table 2: Sectoral Tariff Liberalisation in IBSA, 2019

S.No.	Description	Average Import Weighted Tariff (%)
1	Live Animals and Animal Products	12.3
2	Vegetable Products	24.5
3	Animal or Vegetable Fats & Oils	74.0
4	Prepared Foodstuff, Beverages, etc.	24.9
5	Mineral Products	1.4
6	Products of Chemicals	5.9
7	Plastics & Articles thereof	10.0
8	Raw Hides & Skins, Leather, etc.	16.0
9	Wood & Articles of Wood	7.4
10	Pulp of wood or of other Fibers	8.6
11	Textile & Textile Articles	22.6
12	Footwear, Headgear and Umbrella	27.0
13	Articles of Stone, Plaster, Cement	10.3
14	Natural or cultured pearls, Jewellery	11.3
15	Base Metals & Articles of Base Metal	8.9
16	Machinery & Mechanical Appliances	7.3
17	Vehicles, Aircraft and Vessels	19.9
18	Optical, Photograph & Cinematography	7.1
19	Arms and Ammunition	13.5
20	Miscellaneous Manufactured Articles	17.0
21	Works of Art Collectors' Pieces	7.2

Source: Authors estimation based on World Integrated Trade Solution (WITS), World Bank, 2020

protected sector in all the three economies of IBSA.

From the total of 16 HS sections in the manufacturing sections, a significant average sectoral tariff was experienced in India (in seven sectors), followed by Brazil (in four sectors) and South Africa (in 10 sectors) in 2019. In the manufacturing sector, the convergence of tariff rates can be seen in six sectors including chemicals, plastics, wood products, cement, base metals, and miscellaneous manufactured articles. In terms of the level of protection, some countries are low tariffed than others, indicating their sectoral competitiveness in the world and the region. For example, India was relatively less protected in sections like leather, T&C, Footwear, and mechanical appliances, whereas South Africa maintained low tariffs in sections like wood pulp, jewellery, machinery, precision instruments and handicraft products. Similarly, Brazil maintained less protection than India in certain HS sections such as gems and jewellery and handicraft products apart from agriculture. In the IBSA region, single-digit average IWT rate was observed in some sections of the manufacturing sector. Apart from the agricultural sector, some of the HS sections were highly protected such as T&C, Footwear and Automobiles.

In a comparison of bilateral tariff preferences, it has been observed that India levied a lesser tariff on South African exports as compared to Brazil, and similarly, South Africa applies lower tariffs to Brazil (compared to India) providing better market access to the selected partner within the regional members (Mutambara, 2010). Despite such variations in trade preferences, countries are trying to reduce trade barriers among them with trade agreements. India and Brazil had signed an agreement to reduce tariff barriers in certain sectors like chemicals, automobiles, and agribusiness in 2004, followed by a discussion on forging free trade agreement which would provide India to enter the U.S. market (WTO, 2005).

Brazil has liberalised the agriculture sector and aimed at achieving a greater market access in the sector, whereas, the same sector in India is protected to support its large population and subsistence farming (Grant, 2006). However, the differences among the countries and their participation in dynamic sectors, such as energy, manufacturing and services with technological development can support them in harnessing the existing complementarities (Puri, 2008). The divergences in tariff structure of IBSA countries would allow these economies to have more intra-regional trade, in both existing and new products, because of mutual trade complementarity.

Trade Dynamics of IBSA

Empirical experience is reflective of the fact that IBSA is a group of trading nations with varying capacities in diverse sectors of trade. Since 1990, the region was showing very little sign of integration with the world economy and some member countries have just started the process of trade integration with the world economy on account of pressing domestic compulsions. At the time of the 'Asian Financial Crisis' in 1996, the region's trade did not even touch the threshold limit of \$200 billion, but the region reached %1.5 trillion in 2011. However, the region continued to generate a trade surplus until 1994.

With the return of buoyancy to the global economy during 2003-08 and depicting the economic maturity of India and South Africa from their economic transition, the region's trade grew stupendously with export expanding at the rate of 28.6 per cent and imports by 38.9 per cent with the world during 2003-08, as presented in Figure 3. As the global economy entered the second phase of recession in 2008, the imprints of the global slowdown were gradually felt in IBSA countries.

During the first phase of the economic recession, the growth rate of the region's export with the world declined to 8.2 per cent

and imports to 8.6 per cent. During this phase of recession (i.e., 2010-13), trade of the region grew persistently with the world. Instead of termination of the recession cycle, the second phase of recession commenced since 2013, affecting the global trade without conferring much relief to IBSA countries. With the onset of the second episode of recession which continued till recently, both, the growth of the regional exports and imports, slowed down further. However, the remaining period of the global recession was highly volatile for the region but continued to maintain an overall rising trend for the remaining period.

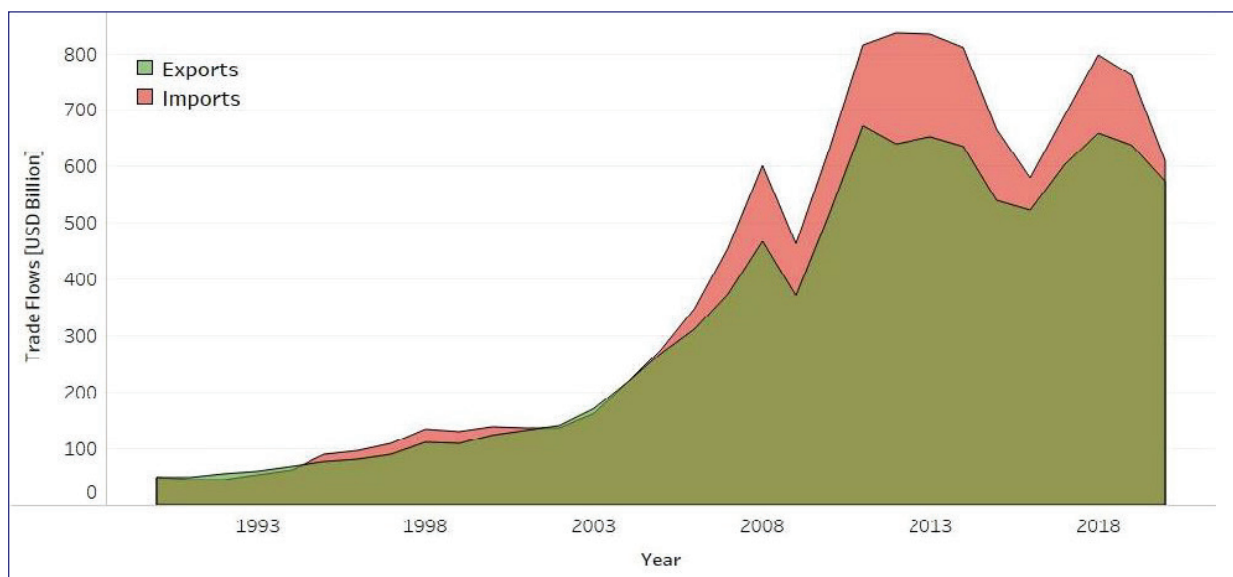
During 2003-20, the country experiences were diverse for IBSA member states. In the phase of global buoyancy (2003-07), countries experienced flamboyant growth in exports and imports which were unparalleled in the annals of the economic history of the region. Rapid growth in the external sector gave rise to a trade surplus for Brazil, but a trade deficit for both India and South Africa. The IBSA region had been a trade deficit region with the world since 2005. With the deepening of the trade

balance situation, the region's exports cover of imports was becoming unsustainable. Possibly, augmented IRT could be an answer to such an unsustainable trend.

Regional Pattern of Trade

As discussed earlier, IBSA exports maintained high growth performance at the rate of 35 per cent during 2003-08, despite the onset of the recession in 2008, causing trade disruption in the subsequent years. In the early phase of the global buoyancy, the IBSA region was dominated by the primary sector, particularly the minerals sector was the front runner of the primary sector. The legacy of mining as a dominant sector continued over the decades, despite the unprecedented upheaval of precession in the world economy. The region witnessed its peak exports in 2013 but the second phase of the recession demonised the growth prospects of the export sector. In the primary sector, the region's exports were weak in fats & oils, and it was not corrected over the years. In the manufacturing sector, specific segments such as chemicals, textiles, gems and jewellery, base

**Figure 3: Resurgence of IBSA Regional Trade with the World
(in \$ Billion)**



Source: Authors estimation based on Direction of Trade Statistics, IMF, 2021

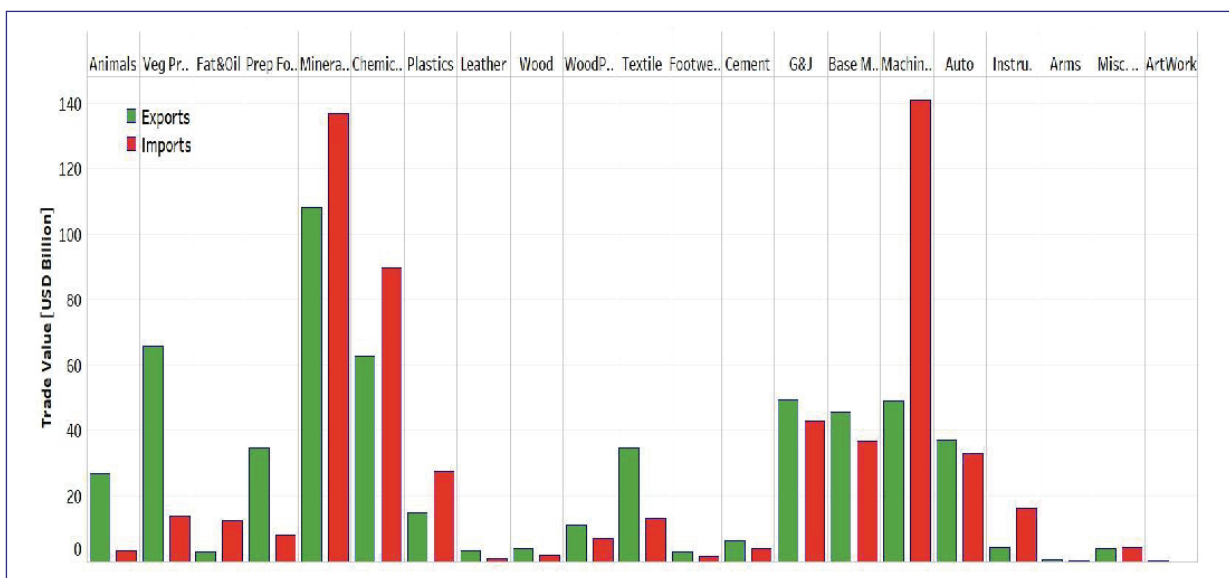
metal, machinery, and automobile continued to be dominant ones in 2003 and the structure of the industrial composition continued to be unaltered all through the years until 2020. But the importance of these sectors faded marginally on account of growth dynamism in other minor manufacturing sectors. Such fast-growing resilient minor sectors were articles of wood, plaster & cement, precision instruments, other miscellaneous manufacturing products, among other sectors.

The export sector of the region reveals that the composition of lead export sectors is not changed much but certain minor sub-sectors have shown their resilience during the period of dip-recession. The import pattern of the region is somewhat different from that of its exports to the world during the last two decades. There were two major trends seen with the import sector which were different from that of exports. Firstly, the decline of the absolute volume of imports with the world started much before that of exports in the first phase of the recession and imports started declining from

2013 but accidentally shot up with deepening of the recession in 2018 and subsided sharply in 2019 and 2020. There were imprints of a certain degree of Intra-Industry Trade (IIT) existing in certain industries where the region has relative competitiveness. This has been the reason for a substantial amount of trade taking place in both export and import segments. It may be interpreted as the region being a group of middle-income and large countries, where people in the region need a wider choice of products for consumption and production despite having competitiveness in these sectors.

The region shows its large imports in the primary and manufacturing sectors, as shown in Figure 4. Region's imports from the world dominate in sectors like machinery and mechanical appliances, minerals and chemicals including pharmaceuticals. In the entire period of 2003-20, imports in the agricultural sector remained consistent in all sub-sectors except for the animal product segment. Import demand in sectors like leather products, articles of wood, footwear, and handicraft products continued

**Figure 4: Sectoral Composition of IBSA Trade with the World, 2020
(in \$ Billion)**



Source: Authors estimation based on ComTrade Database, WITS, 2021

to be shallow during the study period. It is interesting to note that there is a greater degree of predictability about the import and export of the region over a period. In middle-income countries, product quality remains an important issue in accessing markets of each other in the region.

Trade performance of IBSA with the world was robust in 2019 and declined substantially in 2020 owing to the widespread pandemic in the global economy. In 2019, the region's trade with the world stood at \$ 1.4 trillion where exports and imports of the region were \$637.7 billion and \$734.7 billion, respectively, thus, registering a trade deficit of \$97.0 billion. The region has shown a considerable level of Intra Industry Trade (IIT) with the rest of the world in a sizable number of sectors. The IIT is a situation where a country/region is simultaneously importing and exporting in the same sector, thus allowing producers and consumers to have a wider choice to exert their preferences for enhancing their welfare effects. In sectors like minerals, chemicals, plastics, jewellery, base metals, machinery and automobile, the region is significantly engaged in exports and imports simultaneously with the world. These are the sectors that constituted the bulk of the region's trade with the world.

Trade among IBSA member countries is highly balanced and is dominated by intra-industry trade. These sectors also constitute the bulk of the region's trade, both exports and imports in 2019. In the primary sector, the mineral sector was the largest sector among all other sectors in the region. Major sectors in the manufacturing segment were chemicals including pharmaceuticals, base metals, machinery, and automobiles for trade. The region imported a large quantum of gems and jewellery from the region in 2019. The degree of IIT was significant among all member countries in the region and was significantly high in base metals and minerals products. It may be recalled that developed countries used

to blame emerging countries for their heavy import dependence on Africa for minerals. In fact, IBSA countries are in the process of industrialisation and import large quantities of minerals not only from other parts of the world, but also from the region. There have been strong trade complementarities between member countries and the ground conditions are favourable for taking the present level of trade to greater heights in the future in the form of a comprehensive regional agreement.

It may be noted that the top export sectors of the region to the world are the same as the top sectors of the region. Some countries in the region can emerge as regional hubs for certain sectors in exports and imports separately. Mining, as already mentioned, is the primary sector, but there are also five other sub-sectors in manufacturing that show evidence of IIT in the region, with significant trade already taking place in these fields. Brazil has a large IIT with the region in sectors like plastics, base metals, and machinery. Besides, it is a major importer of automobiles from the region. India was a major importer and exporter of certain sectors in 2019. As a leading importer from the region, it had a clear preference of producers from chemicals, plastics, and automobiles and as an exporter, a strong presence can be seen in the sectors like minerals, gems & jewellery, and base metals.

Similarly, the dominant sectors of South Africa in the region for exports and imports were different in 2019. South Africa remained important in certain import sectors such as minerals and gems & jewellery whereas its dominance as a regional exporter in sectors like chemicals, plastics, automobiles, and automobiles. In case, the present level of specialisation continues among IBSA countries, several sectors may emerge as hubs in member countries and trade flows would increase with economies of scale. Recently, discussions have started in India to diversify its imports from other countries (Mohanty and Gaur, 2021) and IBSA could be an ideal choice for India in this

regard. The experience of IBSA countries is the testimony of demonstrating the existence of a higher degree of trade complementarities among them amidst a low level of trade.

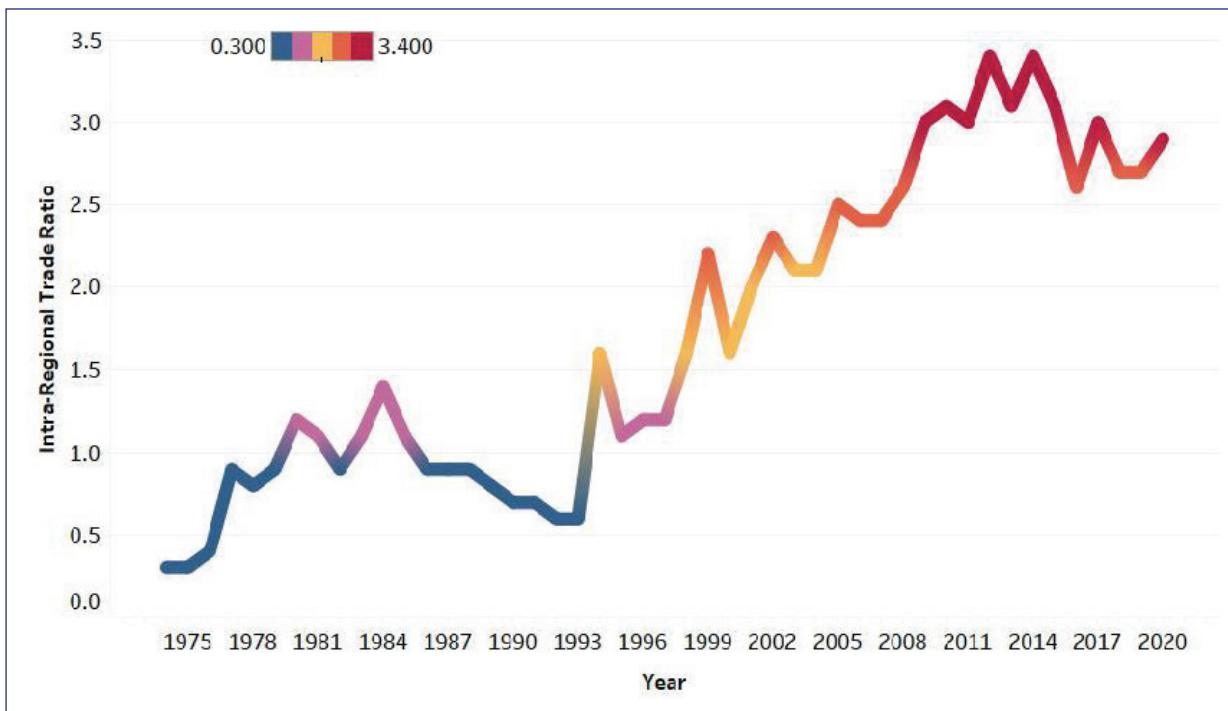
Intra-Regional Trade in IBSA: Low but Steady Rise

The persistence of the regional complementarities among IBSA countries was not realised until the late 1990s. After years of faltered state of cooperation in trade between IBSA countries, the trinity of the South worked unitedly in the Seattle WTO Ministerial Conference in 1999 and formed a pressure group of developing countries and tested the strength of their unity in the trade negotiation. In fact, members of IBSA are natural allies of their own rights and have decided to cooperate in diversified economic sectors. However, many studies have pointed out that before 2003, i.e., the formation of IBSA, the trade between the countries was small and faced many barriers (De, 2005; Soulé-

Kohndou, 2013). For instance, India exported merely 1 per cent of its global exports to South Africa. Because of the vastness of countries, distance, language and cultural factors, the regional caucus took some time to tap the economic synergies of the region.

It has also been observed that the member countries have an uneven share in the intra-IBSA trade in 1991, where Brazil captured most of the share (78 per cent), followed by South Africa (17 per cent) and India (5 per cent) (De, 2005). However, over time the structure of the share of IBSA countries has been relatively balanced in their IRT. Though Brazil had 42 per cent of the intra-regional trade in 2002, India showed a substantive increase in the share to 35 per cent, while South African share increased relatively at a slower pace (De, 2005). Woolfrey (2013) also estimated intra-regional trade in IBSA between 1993 and 2002 and highlighted that total intra-IBSA imports and exports increased at a higher rate than IBSA's

Figure 5: Growing and Resilient Intra-regional Trade in IBSA



Source: Authors estimation based on Direction of Trade Statistics, IMF, 2021

total trade imports and exports with the world. Puri (2008) estimated that in the initial years of IBSA formation, (2003-05), intra-regional trade was doubled. RIS (2006) estimates intra-IBSA trade amounted to be around \$5 billion in 2002.

In its pre-formation years, the intra-regional trade (IRT) ratio was estimated at 1.6 per cent but reached 2.5 per cent in 2005, as shown in Figure 5. But the formation of the IBSA forum experienced a significant rise in the value of intra-IBSA trade (Woolfrey, 2013). Intra-IBSA trade increased from USD 2.5 billion in 2003 to USD 21 billion in 2012, meeting the regional targets of reaching USD 10 billion by 2004 and USD 15 billion by 2010 (Soulé-Kohndou, 2013). In face of the onset of global recession, IRT was unperturbed during 2008-12 and was growing persistently without any discontinuity.

Similar positive developments in IRT can also be seen during the last couple of years. Despite the continuation of recession for the 14th consecutive year, IRT of the region consistently grew for the 3rd consecutive year in a row during 2018-20. During the second phase of the global recession, the IRT of the region reached twice the level of 3.4 per cent in 2012 and 2014, but could not move beyond this psychological limit again until 2020. During the period of dip-recession, the rising of IRT for 3 consecutive years has been a major achievement for the IBSA region.

However, several RTAs across major continents failed consistently for 3rd successive years as recently as 2020, namely SADC, TFTA, SACU and EAC in Africa, ASEAN and APTA in Asia, Andean, Pacific Alliance, ALBA, OAS, UNASUR, OECS, CELAC and LAIA in Latin America and Caribbean region, PARTA in Oceania and several Trans-continental RTAs like IORA and CPTPP. The IBSA has immense potential to grow despite the continuation of the recession, but to realise such a possibility there are a set of predictable and structural trade measures to be undertaken by the member countries. In case such an opportunity

materialises, IBSA may not look back for its past non-performance.

Dependence on Extra-Regional Trade to Decline

One of the many reasons for low intra-IBSA trade is region's trade through engagement with certain traditional partners. IBSA trade with its traditional partners like the United States and the European Union grew faster than intra-IBSA trade during 2000-2006, especially exports of India and Brazil. It has also been observed that the economic cooperation within IBSA countries has been impeded due to their competition in availing market access in OECD countries, as they export similar goods to their traditional partners (Flemes, 2009). Additionally, there are studies highlighting Brazil's reservation of shifting trade from its traditional partners (Vieira and Alden, 2011).

Low IRT among IBSA countries has led to strong extra-regional trade of the region across the globe. For the region, BRICS, China-Japan-Korea (CJK) became strong trade destinations because China became the largest exporter to these economies. It has been observed that China is coming up as a dynamic trade partner of IBSA (Chakraborty and Sengupta, 2006) and the inclusion of China in the grouping may enhance their bargaining power at the multilateral forums like the WTO (Chakraborty, Banerjee & Sengupta, 2011). IBSA trade with China has increased more than intra-IBSA trade (Woolfrey, 2013). However, Soulé-Kohndou (2013) points out the diversification of trade partners of Brazil and South Africa from traditional partners to China, whereas trade diversification in India was noticed with other countries. The diversification of trade of IBSA countries, away from traditional partners, has also been seen as increasing inter-regional South-South trade in Latin American, African, and Asian countries (Puri, 2008) which picked up from 2004 (Mutambara, 2010).

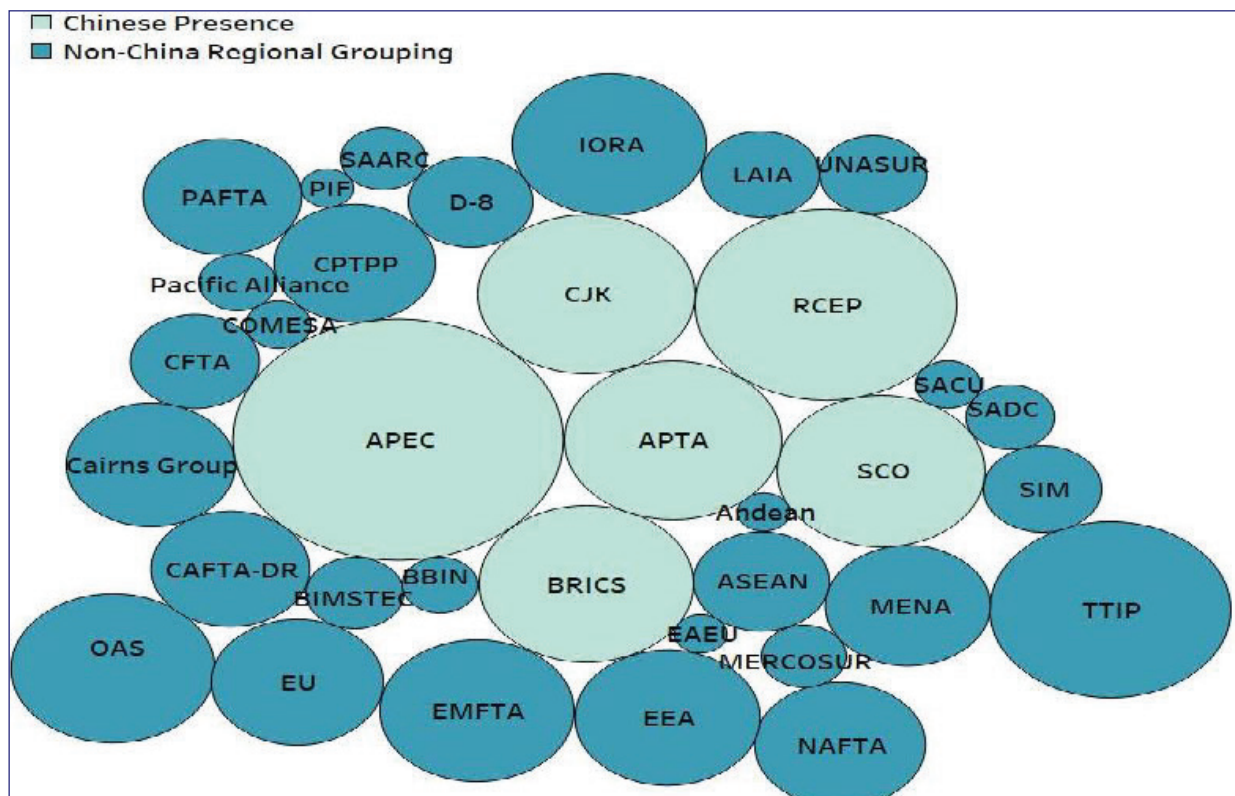
Moreover, member countries are present

physically in three different continents and each of them is a regional economic power in their own rights, and therefore, IBSA's extra-regional trade is not only significant in selected RTAs of their all continents but also with several trans-continental RTAs. Among the prominent ones, extra-regional trade remained significant with RCEP, CJK, IORA, EU, NAFTA and AfCFTA. BRICS is important because of the presence of the entire grouping subsumed in it and the Chinese factor in the regional caucus, as represented in Figure 6. In mega-regional trading arrangements, where stringent policies prohibit other trading partners to operate liberally, IBSA countries find it difficult to have market access in these groupings such as CPTPP, TTIP, NAFTA, etc. Because of import dependence, the extra-regional trade of IBSA

with China alone grew from 15.2 per cent in 2000 to 21.6 per cent in 2020.

Additionally, while comparing IBSA and BRICS, Arkhangelskaya (2011) and White (2009) highlight that the core issues of the two groupings are different, and one should not combine IBSA with the latter. Apart from the extra-regional trade, it has been found that the bilateral trade between India and Brazil had many hindrances like linguistic barriers and geographical differences (Soulé-Kohndou, 2013). Contrary to this view, Mohanty *et al.* (2019) pointed out that the distance factor may not provide an appropriate excuse for low trade between India and Brazil, as the entire Latin America and the Caribbean region have been deeply engaged with China which also faced the same long-distance. The paper argues that

**Figure 6: Asymmetric Trade of IBSA with Extra-Regional Groupings, 2020
(as % of Overall trade of IBSA)**



Source: Authors estimation based on Direction of Trade Statistics, IMF, 2021

to reduce the logistic cost, India should consider a) restructuring its trade basket by moving towards light-weighted products, b) engaging in direct shipping services and evading large scale use of transshipment hubs while trading to Brazil. With the rise in IRT among IBSA countries, their dependence on extra-regional grouping is likely to come down in the coming years.

Growing Importance of Members in Regional Trade

With the passage of time and growing coordination between IBSA countries, the relative importance of a member country with other members within the grouping has been improving. The IBSA countries in the global buoyancy have experienced an increase in trade among the members. Though with lesser complementarities (Dupas, 2006), South Africa's trade with the rest of the two countries has been increased during 2001-08, however, its trade with India was much faster than Brazil (Mutambara 2010). South African imports from India are primarily in high-technology manufacturing goods which are followed by the mining sector. Alves (2007) highlights that though bilateral trade linkages of India and South Africa have been increasing, the countries have not reached their full potential of economic engagement. South Africa has experienced a negative trade balance with both India and Brazil due to its relatively small and liberalised economy in the region (Stern and Stevens, 2000). Simultaneously, Brazil's bilateral exports to South Africa are mainly in the manufacturing sector, whereas South African exports to Brazil mostly constitute primary goods, which complement their bilateral trade relationship.

The IBSA economies have learnt to accord priority to each other to improve their relationship within the region along with showing their convergent interest to the rest of the world. This can be seen by looking at the importance attached to the trade destination of a

member country in terms of its ranking in other member countries both in exports and imports. Among IBSA countries, the bilateral trade ranking of a member country in other partner countries has been improving significantly during the last two decades. In terms of import ranking of destination, Brazil's ranking as an importer from India improved from 26th rank in 2003 to 7th rank in 2020 and from 43rd to 41st for South Africa. Similarly, the rank of India as an importer from Brazil improved from 29th to 27th during the corresponding years. During the same years, India augmented its bilateral imports from South Africa to improve its ranking from 21st rank in 2003 to 5th in 2020.

On the export front, Brazil improved its market access in India as an exporter and improved its ranking in India from 27th position in 2003 to 16th rank in 2020. India remained a favourite export destination for Brazil and improved its ranking as an exporter to Brazil from 36th position in 2003 to 23rd rank in 2020 and similarly improved its exporter rank in South Africa from 27th in 2003 to 24th in 2020. Such a shift in trade linkages in recent years has been the key factor for the rise in the IRT ratio recently. It may be noted that the IRT ratio in the regional grouping may be low, but the absolute volume of trade has been very high as compared to several RTAs in the contemporary world economy.

Sectoral Focus in IBSA to Raise IRT

Literature suggests that bilateral imports of India from Brazil have been more concentrated in sectors like fat and oils and mineral products, constituting 78 per cent of India's total bilateral imports (RIS, 2004). Brazil, on the other hand, imported minerals and chemical products from India. In the case of South Africa, Indian imports are concentrated in sectors like natural pearls and jewellery, accounting for 82 per cent of India's total imports from South Africa. Gouvea *et al* (2021) encapsulates that most of Brazil's export to India are in sectors like oil

and gas, sugar, and soybean, whereas India exports insecticides, chemicals, fuel and medical products to Brazil. South Africa exports mining products to Brazil and mining companies have also invested in Brazil to increase the bilateral trade (Soko, 2006).

Though the IRT ratio has been progressing consistently even during the period of dip-recession, it may be the appropriate time for the adoption of a prudent approach to fasten the speed of regional trade. The recent experiences of the IBSA region indicated that a refurbished approach towards regional trade may provide impetus to promote the IRT of the region. There is a need for identifying low hanging sectors where current trade is very high among the regional partners and a sectoral approach to promote such sectors should be the main plank of the current regional strategy to promote IRT. Since the IRT ratio was 2.9 in 2020 and it was peaked at 3.4 per cent, it would be appropriate to provide thrust to high performing sectors to boost sectoral IRT. In case IBSA can replicate its own experience in IRT, it can comfortably reach the level of 5.1 per cent or more IRT ratio by 2025.

With this consideration, both agricultural and manufacturing sectors may be considered to a large extent. In the agricultural sector, intra-regional trade is exceptionally sturdy in HS sections like animal products and vegetable fats & oils. Similar sectors in the manufacturing sectors are products of chemicals, base metals, and automobiles. These five sectors should be on the priority list while bringing changes in the regional trade strategy. Besides, there are a few sectors that are also showing their contribution to the possible robust growth of IRT such as minerals, articles of wood and pulp of wood. Renewed trade strategy, focused on these specific sectors, would improve the IRT ratio in the medium terms.

The region has been observing a surge in IRT both in terms of volume of sectoral trade and their growth over a period as shown in

Figure 7. The mineral sector remained the most promising sector of the region among others. The growth process of intra-regional trade has been uneven across sectors and trade regimes. In terms of contribution of the sector to total intra-regional trade, the mineral sector became exceptionally volatile compared to other major sectors, which are emerging important from the point of view of IRT of the region such as agriculture, chemicals, gems and jewellery, base metal, machinery, automobiles, and others. In 2003, all sectors had more than double-digit share in the total IRT, but the sectoral contribution became highly lopsided over the last one and half decades. As in 2020, only three major sectors could maintain their share in IRT in double-digit and those sectors were minerals, chemicals, and agriculture.

Among major sectors in the manufacturing sector, three of them could maintain their rising share between 2003 and 2020 and they were minerals, chemicals and gems and jewellery. The growth profile of these major sectors was different in three broad trade regimes, spanning nearly over the last two decades during 2003-20. The growth rate of IRT of major sectors was buoyant in sectors like agriculture (24.0 per cent), minerals (46.6 per cent), chemicals (24.8 per cent), gems and jewellery (47.1 per cent), base metal (42.2 per cent) machinery (31.3 per cent) and automobiles (31.5 per cent) during 2003-07. With the onslaught of the recession, growth rates of intra-IBSA trade in several sectors declined significantly during 2008-12, but sectors like agriculture, minerals, base metals and automobiles could maintain double-digit growth during the period. The world economy entered the second phase of recession with Eurozone crisis, and it was a major impediment for the intra-regional trade in IBSA. During 2013-20, all major sectors except chemicals posted a negative growth rate.

While discussing sectoral IRT patterns in the IBSA region, the performances of two sectors are worth mentioning. Despite the

onset of the recession, mineral sector trade registered 30.4 per cent CAGR during 2008-12 but growth rate declined to -8.9 during 2013-20, showing the fragility of the sector. However, the chemical sector recorded a growth rate of 2 per cent during 2008-12 and improved to 4.4 per cent during 2013-20. The region has robust sectoral drivers for fostering IRT, but innovative measures are to be taken by regional economies to bring resilience in regional trade performance.

Besides the present trade of countries, there are many other sectors where IBSA countries have the potential of increasing intra-IBSA trade. It has been suggested that South Africa can import affordable medicines from India and simultaneously get market access in India for sectors like coal, iron and steel, gold, and silver (Soko, 2006). Brazil has a strong manufacturing sector with a high share of the high-technology products among the IBSA member nations (Mutambara, 2010), such products can be traded with regional members. In 2020, India and Brazil signed an agreement to increase their bilateral exports to USD 1 billion in the defence

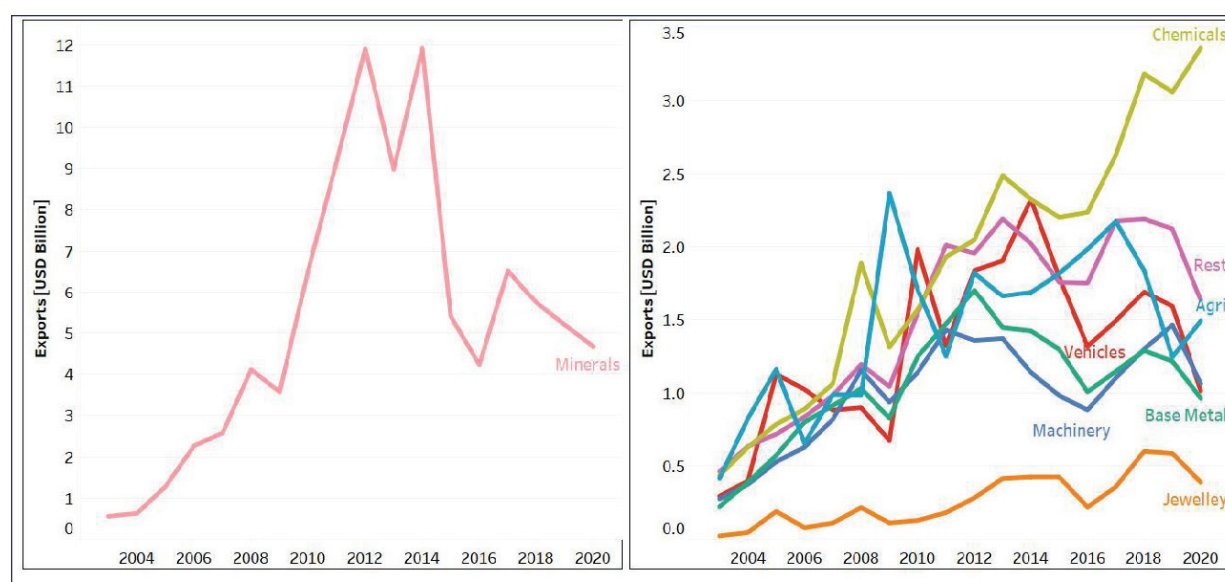
hardware and software by 2025 (Gouvea *et al*, 2021).

Regional Trade in Strategic Sectors

Experiment of IBSA with GVC Trade

The global economy was battered by the recession in 2008 and recreated a situation deeper than the 'Asian Financial Crisis' in the mid-1990s. Despite the recession, the region's trade with the world was buoyant in several end-use sectors both in imports and exports. During the first phase of the recession (2008-12), exports and imports of certain sectors witnessed 50 per cent or more rise in sectors such as primary, intermediate including GVC, and final consumption goods. Though subdued progress in the end-use trade sector was noticed, it remained under control. During the same period, semi-processed, parts and components (P&C) and final consumption goods sectors were performed to the expected level. Followed by the gradual recovery of the regional trade, there was a turnaround in 2013 along with global GDP, thus, started a new phase of the recession in that year. The beginning of the

Figure 7: Sector Specific Intra-Regional Exports in IBSA (in \$ Billion)



Source: Authors estimation based on UN ComTrade, WITS, 2021

second phase of the recession following the deepening of the financial crisis caused a new spate of catastrophe for the region, in terms of reduction in volume of trade. The year 2015 was a watershed for the region where the region's trade with the world declined by 8.08 per cent and IRT by 25 per cent over the preceding year.

It was interesting to note that a decline in trade in the region was felt in all end-use segments along with exports and imports in 2015. The impact of trade reduction in major sectors was felt in the decline in trade deficit in major sectors. Marginal recovery ensued since 2017, irrespective of sectors but the rising trend of exports and imports was short-lived and again the volume of trade followed a southward movement in 2019 and 2020.

The impact of the first and second phases of the recession had a lasting impact on the sectoral composition of the end-use sector, including parts & components. At the beginning of the global recession in 2008, the regional share of the intermediate sector with the world was much higher than the final goods sector and the share of exports was higher than that of imports. Trade in the Global Value Chain (GVC) constituted a very small proportion of the region's imports and exports. In the first phase of the recession, GVC exports in Parts & Components formed nearly 6.5 per cent and imports 11.7 per cent of the total exports and imports, respectively, of the region with the world. Effectively trade in the semi-processed sector dominated the intermediate trade scenario of the region.

During the first phase of the recession, the share of the intermediate trade segment in the total trade continued to decline both in exports and imports, as shown in Table 3. During the first phase of recession, the export share of the intermediate (35.7 per cent) was much greater than that of imports (30.9 per cent) in 2008, but exports and imports were almost approaching 32.4 per cent at the beginning of the second phase of the recession in 2014. Trade in parts & components is a critical sector for IBSA. Sector's exports and imports shares in region's technology-intensive trade were much smaller than that of the sector's share of the trade deficit in the overall trade deficit of the region in technology-intensive trade, which is rather unsustainable for the region in the long run. The IBSA region has several vibrant sectors where the P&C segment is well developed. Some of these sectors like automobiles, textiles are somewhat protected but have the potential to grow. Regional efforts may be warranted to address the inherent problems associated with the P&C sector by liberalising it, particularly among regional economies.

Regional trends in Technology-Intensive Trade

The long-term objective of the IBSA region is to raise the volume of trade in medium and high technology-intensive goods, as the margin of trade in these segments has been much higher than primary, agro-based, and low technology-intensive goods. In 2008, low technology-intensive trade of the region was

Table 3: Growth in IBSA Trade with the World in Broad Economic Classification
(in %)

Period	Primary		Intermediate		Parts & Components		Capital		Consumption	
	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export
2008-12	10.6	11.6	10.6	6.7	8.5	6.0	3.0	4.0	15.7	10.2
2013-20	-9.5	-0.4	-1.4	-1.7	-0.6	-1.5	-1.9	-4.4	-4.4	-0.6
2008-20	-2.3	3.5	2.2	1.7	2.6	1.5	-0.1	-0.5	1.8	3.5

Source: Authors estimation based on ComTrade, WITS, 2021

marginally lower than that of medium intensive trade, but high technology-intensive trade was nearly 3.8 times higher than low technology-intensive trade. Despite the dip-recession, the overriding edge of medium technology and high technology trade remained intact in 2019 as it was in 2008. As in 2019, medium technology was 2.3 times and high technology 3.4 times than that of low technology trade so far as region's trade with the world is concerned. Traditionally, the region had an added advantage in the trade of low technology goods with a large trade surplus, and continued to have a trade deficit in the medium technology and high technology trade sectors. However, relative dependence on the medium technology sector for imports was lower than that of the high technology sector. In 2019, low technology trade was 10.6 per cent of total trade with the world.

The regional economies performed better in the first phase of the recession, where the region's exports and imports grew at the CAGR of 10.2 per cent and 12.3 per cent, respectively, during 2008-12, as shown in Table 4. Export growth of medium technology was moderate at 3.7 per cent and high technology was at 6.7 per cent during the same period. In the second phase of the recession, the region registered a major setback both in export and import performances. There were stagnancy in exports and a downturn in imports of the region in low-tech products. Imports of the medium-tech goods posted a negative growth rate and exports growth managed within the slender positive margin.

Only the high technology trade sector demonstrated a respectable growth rate of 2.3 per cent and 2.7 per cent of imports and exports, respectively, during 2012-19. So far as the region's exports were concerned, high technology trade performance was better than the other two technology-intensive segments with the world during the entire period of recession. Despite variations in different technology-intensive segments, overall comparative performances of the low, medium, and high technology-intensive sectors were gratifying where export growth outpaced import growth by a significant margin. While technology-intensive export growth was registered at 3.3 per cent, the corresponding import growth was 2.5 for the period 2008-19. This is an encouraging trend for the region and the regional economies and should learn to trade more with the technology-intensive segments in the future.

Intra-regional trade in technology-intensive goods had a diverse experience among member countries during the period of recession. In the initial phase of the recession, IRT in the sector grew rapidly and the volume of the IRT doubled during 2008-11. There was a short period of stagnancy in the IRT during 2011-13 when annual trade in this segment hovered around \$19 billion per annum. But the persistent decline in IRT was noticed during 2013-16 and volatility grappled the region in subsequent years with a further dip in the deepening of the global recession. In 2019, the total IRT in technology-intensive trade was \$30 billion. The

Table 4: Growth of IBSA trade in technology-intensive goods with the World (in %)

Period	Low Technology		Medium Technology		High Technology	
	Import	Export	Import	Export	Import	Export
2008-12	12.3	10.2	6.4	3.7	4.9	6.7
2012-19	-0.2	0.0	-0.5	2.1	2.3	2.7
2008-19	4.1	3.6	2.0	2.7	3.2	4.1

Source: Authors estimation based on ComTrade, WITS, 2021

bilateral and time-series information stipulates that there are no 'stylised facts' emanating from the experiences of these countries.

Trade in the technology-intensive sector by the member countries has been mostly demand-driven, and the pattern of exports and imports at the bilateral level differs from time to time. For example, Brazil was the largest importer of technology-intensive goods followed by South Africa and India in 2019. On the export front, India was the largest technology-intensive goods exporter followed by South Africa and Brazil. This pattern of distribution was not consistent in the past years, as Brazil was the most important importer in the low and medium technology-intensive segment and India in the high technology sector. In the IBSA region, there is trade complementarity to access each other's markets for trade in different technology-intensive sectors.

Managing Export Potential in the Region

Though the formation of IBSA aimed at increasing the bargaining power of the developing countries, the IBSA countries also focused on increasing sectoral cooperation, through tapping regional synergies in the mutual interests of the members, with sharing of best practices and experiences (Flemes, 2009). Some of the sectors which have been identified for regional cooperation are trade and investment, energy, transportation and infrastructure, science and technology, agriculture, tourism, health, and many others. It has been pointed out that in sectors like health, transport, energy, and development fund, at least one of the IBSA countries has a comparative advantage, which has the potential of stimulating the economic growth of the region with cooperation (Mokoena, 2007). The region has focused on four areas—trade, health, transportation, and energy security, for which these countries have also signed many Memorandums of Understanding (MoU) and

Agreements. Owing to COVID-19, sectoral cooperation in pharmaceuticals and healthcare services may be of paramount importance bilaterally or regionally (Chaturvedi, 2011).

The IBSA region is characterised by trade competitiveness, trade complementarity and export potential within the region. As large, export-oriented, open economies, these countries are intensely engaged with international trade in many commodities. These countries are not only exporters of tradable goods but also importers of these goods. Because of distance and language factors, these economies have ventured into trade in a limited number of commodities in each of these economies, but they have competitiveness in a large number of commodities based on their global price competitiveness. The literature suggests the existence of export potential of IBSA countries in the region. RIS (2008) estimated the unconstrained export potential of South Africa to be around \$59.8 billion in the IBSA region, followed by Brazil (\$46.2 billion) and India (\$17.3 billion). A recent study estimated India's export potential in Brazil to be around \$4.65 billion (Mohanty *et al*, 2019). There was also discussion about the formation of a comprehensive regional grouping among IBSA countries and their regional partners, i.e., SACU-India-MERCOSUR (SIM). Mohanty and De (2007) estimated the potential of SIM at \$28.88 billion in 2003.

In the absence of a comprehensive trade agreement between the IBSA countries, the 'trade creation effects' in the Vinerian sense is estimated. In short, IBSA countries have large competitiveness in each other's markets whether actual trade is taking place or not as shown in Table 5. It is empirically verified that each country has about 4500 competitive products, on an average, in the markets of member countries. It is important to note that each member country has a large number of competitive products to export and import as well as showing a trend of tariff convergence

among themselves. These empirical evidences endorse a strong case for a Free Trade Agreement (FTA) in the IBSA region, which has also been argued by several studies (Sandrey and Jensen, 2007; Taylor, 2009; Stephen, 2012).

Taking a modest estimation of trade creation (Mohanty, 2012; Mohanty *et al.* 2019), the region has a large export potential of \$25929.5 million in a year and may grow with the passage of time. The largest trade potential is estimated for Brazil with \$14071 million, whereas India and South Africa can have export potential to the extent of \$4920 million and \$6939 million, respectively. Bilaterally speaking, India has the least export potential of \$3786 million in Brazil and \$1134 million in South Africa, whereas Brazil has an export potential of \$12585 million in India and \$1486 million in South Africa.

South Africa is moderately placed where it has an export potential of \$2247 million in India and \$4692 million in Brazil.

With the existing trade structure of IBSA countries, the trade potential of member countries in their trade partners is in specific sectors. These sectors are somewhat similar so far as potential sectors are concerned. To begin with, the region can focus on 4 main sectors and 2 minor sectors. The major sectors are minerals, chemicals, base metals, and machinery whereas minor sectors are plastics and automobiles. The automobile sector continues to be the most protected sector in the region, having similar strategies adopted by the regional economies. Unilateral liberalisation of certain products, favourable for the regional economies, may help member countries in accessing each other's

Table 5: Export Potential of IBSA members in the region (in \$Million)

Sectors	India	Brazil	South Africa
Live Animals and Animal Products	71.1	20.2	80.6
Vegetable Products	100.4	113.5	119.5
Animal or Vegetable Fats & Oils	27.1	298.1	47.9
Prepared Foodstuff, Beverages, etc.	132.9	166.6	162.3
Mineral Products	381.8	5501.4	163.6
Products of Chemicals	1284.3	1232.5	1854.5
Plastics & Articles thereof	367.1	380.6	571.5
Raw Hides & Skins, Leather, etc.	10.7	36.5	21.8
Wood & Articles of Wood	5.0	73.6	69.8
Pulp of wood or of other Fibers	140.1	233.0	167.9
Textile & Textile Articles	112.6	188.2	231.0
Footwear, Headgear and Umbrella	50.4	25.8	42.7
Articles of Stone, Plaster, Cement	70.2	59.2	88.7
Natural or cultured pearls, Jewellery	76.0	1455.5	175.7
Base Metals & Articles of Base Metal	564.9	881.5	1407.4
Machinery & Mechanical Appliances	835.3	2643.6	1367.3
Vehicles, Aircraft and Vessels	481.9	369.5	181.2
Optical, Photograph & Cinematography	167.0	301.9	123.8
Arms and Ammunition	2.1	0.8	0.9
Miscellaneous Manufactured Articles	38.1	86.5	59.8
Works of Art Collectors' Pieces	0.4	2.0	1.6
Grand Total	4919.6	14070.6	6939.3

Source: Authors estimation based on ComTrade, WITS, 2021

market successfully. The region also shows trade potential in the part and component (P&C) sector which is spread into several sectors.

Conclusion

For the IBSA to rise as an axis of SSC, it should emerge as an economically strong regional caucus. IBSA has to deepen its internal coordination to speed up the trade profile among themselves. Strong unity comes from strong economic cooperation in the region. All efforts are to be made to raise IRT progressively before they could divert their attention to other countries. The existing institutional mechanisms including PTAs, Bilateral Investment Agreements, etc., may be strengthened to improve the efficiency of the regional caucus in the light of the IBSA Forum declaration in 2006. Regional cooperation in trade and investment should be intensified along with supporting other developing countries. Some of the specific policy recommendations are as follows:

- Existing policies of IBSA relating to domestic economic management and development assistance finance, may be guided by the approaches of Structuralists to learn and achieve high economic growth, with or without macroeconomic stability.
- Regional trade focus may look into employment generation in the trade sector by engaging in certain vibrant sectors where the region has strong intra-industry trade and competitiveness among member countries.
- Bilateral tariff and NTBs management through existing arrangements may be made comprehensive with mutual consultation to benefit regional members. SACU-Mercosur PTA was in force since 2016. India-SACU should be concluded at the earliest. Additionally, the proposed expansion of the coverage of India-Mercosur PTA should be implemented to reap the benefits of the contracting parties.
- There are certain high potential sectors, which are covered under high protection in the region such as automobiles. Other sectors such as wood pulp, plastics, base metals, etc. may be considered to liberalise trilaterally or bilaterally among the member nations. Gradual sectoral liberalisation among members through existing Agreements may help the region in 'catching-up' fast with the world economy.
- There is a strong global expectation from IBSA to play an important role in the rebounding of the global economy. It may start with expanding IRT among IBSA member countries through fresh unilateral/regional trade concessions and can expand it to other countries.
- Important trade sectors of the region with the world are similar to the sectors important for IRT of the region. Increasing IRT may reduce trade imbalances of the regional partners with the world by diverting more trade from the rest of the world to the ambit of IRT.
- Apart from traditional major sectors, new major sectors are also emerging. These sectors may be promoted to bolster inflows of trade within the region.
- For improving trade ties with the regional economies, emphasis may be conferred to product development, which may expand the choices of consumers within the region as strong sectoral Intra-Industry Trade (IIT) is existing in the region. Scientific institutions in member countries may be associated with the manufacturers to develop new products for production, consumption and trade.
- Product quality is important for the domestic and global markets for trade. Cooperation for product quality development may be considered through joint projects.

IBSA countries have a magnificent history as major trading nations, and this legacy is being carried forward in the global community. Very

less efforts were made in the past to consolidate economic ties between member countries to take benefits from the synergies from the region. ASEAN-5 and European Community-5 adopted the principle to empower them and also keeping the size of the regional caucus small to take advantage of the synergies of the region. The long missing strategy of the regional grouping has to be re-adopted to strengthen its inner core. The economic parameters are strong enough to suggest that the formation of bilateral or triangular comprehensive trade agreement(s) is possible. Political 'big push' is required to revive the past glory of the region.

Endnote

- ¹ Budget speech by the Finance Minister, 2021-22 Budget.

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4

IBSA Cooperation for Global Governance of Trade, Climate Change, Health and Biodiversity

Introduction

All the three IBSA countries have been actively cooperating on the issues related to global trade governance, climate change, health and biodiversity conservation and have been arguing for reforming the global governance architecture to reflect the concerns of the developing countries. This chapter intends to provide an overview of the IBSA cooperation at the WTO on the issues related to global trade governance such as Doha Round negotiations, Dispute Settlement Body reform, reinforcing special and differential treatment, services, fisheries subsidies, IPRs and TRIPS, e-commerce and digital economy; and on the issues of climate change, healthcare, protection of Traditional Knowledge and issues related to CBD including the issue of DSI, ABS, Post-2020 Global Biodiversity Framework, review of Article 27.3 (b) and so at various multilateral platforms such as WTO, TRIPS Council, WIPO, UNFCCC, WHO and UN CBD.

This chapter argues for a greater cooperation among the IBSA countries to address the contemporary and emerging challenges, the need for providing a collective stance with the Southern narrative and to propel the reforms of the multilateral agencies to make them more inclusive, participatory and responsive.

IBSA at the WTO: Intersections and Coalitions

India and Brazil led the developing countries in raising developmental concerns prior to the launch of the Uruguay Round, while Brazil and South Africa had a major role in the launch of the Doha Round. Subsequently, all the three economies significantly influenced various aspects of Doha Round negotiations through platforms including IBSA and Africa Forum as well as through 'coalition diplomacy' (VanGrasstek, 2013). Soon after the launch of the IBSA Dialogue Forum in 2003, the three countries came together at the WTO Cancun

Ministerial Conference to successfully defend the common interests of developing countries in agriculture negotiations and sought substantial cuts in the trade-distorting farm subsidies of developed countries. As part of WTO negotiations, IBSA countries have also worked together on demanding the elimination of non-tariff barriers of developed countries (Flemes, 2009). Brazil and India, as representatives of the developing world, were part of the G4 (comprising Brazil, India, the US and the EU) and later Five Interested Parties (G4+Australia) and G6 (G4+Australia+Japan) to help WTO Members arrive at a consensus on various issues (Ismail, 2006).

The IBSA countries were instrumental in forming the G-20 (later referred to as G21 or G20-plus) developing country-coalition at the WTO on agriculture issues as well as the NAMA-11 group, involved in talks on industrial goods trade. They also helped to form the BRICS group that is a coalition outside of the WTO but among other things it is able to influence the WTO negotiations. Significantly, what kept the IBSA countries together was their flexible approach that helped them take necessary steps to protect their own national interests even while simultaneously staying united in the G-20 and NAMA-11 coalitions. For instance, Brazil, along with the European Union, wanted developing nations to phase out agriculture export subsidies by 2025 and amend export credit norms (RIS, 2015). Brazil and South Africa, with offensive interests in agriculture, are members of the Cairns Group Farm Leaders comprising leading farm products exporting nations pitching for liberalisation of agricultural international trading system and pushing for greater market access in developed countries.

Meanwhile, India, with defensive interests in agriculture, is part of the G-33 developing country coalition also known as 'Friends of Special Products' in agriculture seeking flexibility for limited market opening in farm products. India, Brazil and South Africa are

part of the 'W52 sponsors', a North-South coalition (as it has European Union and Switzerland from the developed world as well as several developing countries as members) with interests in geographical indications in the Doha Round talks. The IBSA countries had also sought multilateral trade governance reforms and raised their voice against various protectionist policies as well as trade-distorting measures (VanGrasstek, 2013). The IBSA countries had converged as part of the "Friends of Development" group (comprising more than a hundred developing nations) in 2011 in a bid to break the Doha Round deadlock and said that they were willing to consider any fresh approaches to successfully conclude the Round provided such approaches are based on a 'multilateral consensus firmly anchored within the Doha Mandate' as against plurilateral approaches that are "against the principles of multilateralism and inclusiveness" (WTO, 2011).

In the context of overall reforms of the rule-based multilateral trading system, India and South Africa, along with eight other WTO members had in July 2019 reminded the larger membership that since 1996 (just a year after the launch of the WTO in 1995), developing Members have been seeking reforms by removing the 'asymmetries' as well as by ensuring "greater policy space for themselves to pursue development and to use the same policy tools as developed countries to industrialize." Matters including "the strengthening of Special and Differential Treatment Provisions, Implementation Issues, addressing the existing asymmetries in the WTO Agreements, particularly in Agriculture with a view to facilitating the realization of the SDGs on food security and alleviation of rural poverty" were then incorporated into the Doha Development Agenda in 2001.

According to India, South Africa and the other eight developing countries, the WTO, however, is drifting away from the Marrakesh

Agreement principles (including to improve the developing world's trading prospects) as well as from the Doha Development Agenda (DDA) negotiations mandate seeking centrality to the developing world's interests in the Work Programme. Referring to recent attempts of some Members to bring in new items into the WTO negotiating agenda (through plurilateral initiatives) without addressing the outstanding issues of the DDA, India, South Africa and other developing country members warned that WTO reforms should not lead to developing countries "accepting either inherited inequities or new proposals that would worsen imbalances". According to them, "Reforms must be premised on the principles of inclusivity and development and respond to the underlying causes of the current backlash against trade and the difficulties that developing Members continue to face vis-à-vis their industrialization challenges" (WTO, 2019a).

The three countries had in 2019 brought out a joint statement urging the comity of nations to prioritise reform of the international economic governance architecture, including the WTO. Recognising the WTO's key role in "promoting the interests of developing countries on issues such as agriculture", the three countries emphasised the need for ensuring the centrality of development in the WTO reform process. The related efforts should "take into account the whole Membership, including developing Members, in particular, LDCs" so as to make them inclusive and non-discriminatory, they emphasised. Referring to the diversity of

interests and concerns of WTO Members, IBSA countries stressed the importance of trust building as well as the need to "address the inequalities and asymmetries in existing agreements" (Government of India, 2019).

Dispute Settlement Mechanism

In 2019, India and South Africa, along with like-minded WTO Members had pitched for discussions on "strengthening the WTO to promote development and inclusivity." They wanted the WTO norms to be tightened to prevent "unilateral action on trade issues that are inconsistent with WTO rules" so that the rules-based multilateral trading system is not weakened (WTO, 2019a). On the WTO Dispute Settlement Mechanism-related reform issues, India and South Africa, along with Bolivia, Cuba, Ecuador, Malawi, Oman, Tunisia, Uganda and Zimbabwe in 2019 also wanted 'the resolution of the Appellate Body (AB) impasse to precede other reforms' (WTO, 2019a). In addition, India, Brazil, South Africa, along with several other Members had, in 2019, submitted a communication to the WTO demanding the establishment of a Selection Committee and the launch of a selection process "so that the Dispute Settlement Body can take a decision to appoint six new Appellate Body members as soon as possible" (WTO, 2019b). India is keen to ensure the 'restoration of a two-tier Dispute Settlement Mechanism' with the DSB and the AB (Government of India, 2021a). As seen in Table 1 below, Brazil and India are major users of the WTO Dispute Settlement Mechanism (also see RIS, 2015), while South Africa is a third party in several cases.

Table 1: WTO Disputes: IBSA countries

Country	As complainant - cases	As respondent - cases	As third party- cases
Brazil	33	17	159
India	24	32	171
South Africa	-	5	21

Source: WTO website on dispute settlement

Reinforcing Special and Differential Treatment

Developing nations including the G90 coalition comprising African countries including South Africa and the Least Developed Countries have demanded that the 12th Ministerial Conference later this year should have an outcome on preserving Special and Differential Treatment (S&DT). They also want S&DT to be strengthened by making it effective and simpler in a way that can help such countries overcome various developmental challenges. These challenges include ‘widening inequality and asymmetric economic development’ that has been aggravated following the COVID-19 pandemic outbreak. In this regard, the developing countries have also sought adequate policy space to protect their infant industries as well as promotion of new industries, preferential market access for their MSMEs and transfer of technology (Kanth, 2021). India has been at the forefront of proposals and arguments for S&DT provisions since the GATT regime and continued to play a proactive role in the WTO discussions as seen in the agricultural negotiations (RIS, 2015).

The S&DT issue gained prominence in recent years following a communication by the US to the WTO alleging that some of the better off developing nations are getting the same S&DT exemptions like poor developing countries and therefore sought an end to the practice of WTO Members self-designating themselves as developing countries and claiming S&DT benefits (WTO, 2019c). This was countered by India and South Africa and other like-minded countries at the WTO arguing for the ‘continued relevance of S&DT in favour of developing members to promote development and ensure inclusiveness’ (WTO, 2021a). These countries termed Special and Differential Treatment (S&DT) as a “treaty-embedded and non-negotiable right for all developing Members”. They demanded, “the preservation and strengthening of the

S&DT provisions in both current and future WTO agreements (including the one under negotiation on fisheries subsidies), with priority to outstanding LDC issues” (WTO, 2019a). Brazil, however, decided to give up S&DT in WTO talks (Schneider-Petsinger, 2020; Mano, 2019).

Fisheries Subsidies

India and South Africa, along with the African Group and Cuba demanded that the outcome of the negotiations reflect “development priorities, poverty reduction, and livelihood and food security concerns.” Pointing out that effective S&DT for developing and least developed countries were at the core of SDG14.6 on sustainable fishing, they stated this mandate must be fulfilled especially on account of the COVID-19-triggered crisis severely impacting the Global South (WTO, 2020b). Mohanty and Gaur (2021) pointed out that while India “does not endorse S&DT for the illegal fishing component of fisheries subsidies negotiations”, it has made clear that S&DT is vital for small-scale and artisanal fishers in developing countries including LDCs in the context of unreported and unregulated fisheries. India had also proposed that developing nations be permitted to continue providing fisheries subsidies provided they meet the criteria including that their per capita GNI is below \$5000 (based on constant 2010 US dollars); their global share in the production of marine captured fish is less than 2 percent annually; they are not engaged in distant fishing; and the contribution of agriculture is more than 10 per cent of their annual national GDP (Mohanty and Gaur, 2021).

Noting that the “per capita fisheries subsidy given by most developing countries is minuscule compared to advanced fishing nations”, India wanted the countries providing huge subsidies to “take greater responsibility to reduce their subsidies and fishing capacities, in accordance with the principles of ‘Polluter Pays’ and ‘Common but Differentiated Responsibilities’.

Brazil's communication emphasised that the "highest standards of environmental sustainability" must be incorporated in the final multilateral fisheries subsidies agreement (WTO, 2020c). India, South Africa and other developing countries had raised concerns over Brazil's proposal, 'not explicitly' referring to S&DT. They also opposed Brazil's proposal disregarding the 'polluter pays' principle as it has placed countries with sophisticated industrial fishing vessels on the same level as nations with no or a very small number of mechanized fishing fleets under "collective responsibility" umbrella (Kanth, 2021).

Intellectual Property and TRIPS

An important area that needs deeper IBSA cooperation is the intellectual property (IP). IBSA countries have highlighted the developing country perspective to the debate on IP-related issues during the GATT regime. Further, India and Brazil have opposed efforts by developed countries to bring in TRIPS-plus norms in the WTO discussions. However, there are now efforts within and outside the WTO to weaken the unity of developing countries on IP issues, notably through a variety of trade agreements. Moreover, the field is getting complex due to the varying IP interests – both offensive and defensive – of IBSA countries in different contexts (Yu, 2015).

India and South Africa have undertaken a leadership role following the COVID-19 pandemic outbreak by submitting a proposal on a temporary waiver of certain TRIPS provisions to ensure greater access to vaccines, diagnostics and therapeutics for the prevention, containment and treatment of COVID-19 (WTO, 2020d; WTO, 2021b). In this regard, it is important to look at the ways to ensure transfer of technologies including those related to mRNA vaccines and a greater access to the raw materials and inputs needed for the production and distribution of vaccines. Many developing countries are capable of producing vaccines, diagnostics and therapeutics.

However, Brazil and India are among the developing countries to have used the TRIPS flexibility (reiterated by the Doha Declaration on Public Health) of compulsory license albeit in a limited manner. In South Africa, "the initiation of the compulsory licence proceedings induced the originator companies to provide" voluntary licence in HIV/AIDS drugs. Brazil and India and to some extent South Africa nevertheless strengthened their intellectual property regime and have seen an increase in applications and grants of patents in sectors including pharmaceuticals as well as in receipts of royalty payments (RIS, 2015).

Cooperation between India, Brazil and South Africa was also seen in the US-Brazil drug patent dispute at the WTO when the three countries came together as a coalition (G3) in 2001 and were instrumental in ensuring the acceptance of Brazil's position that taking the compulsory license route for the import/production of generic medicines to combat AIDS to meet its public health needs was compatible with the TRIPS Agreement and its obligations under the TRIPS Agreement and GATT. The US had decided to withdraw the case. In 2003 also the G3 played a key role in the WTO decision permitting generics imports by countries by overriding patents to handle national public health emergencies (RIS, 2019). In 2010, India and Brazil came together to take on the EU in the case of seizure of generic drugs while transiting through the Netherlands towards third-country destinations including Brazil. Such coordinated efforts on intellectual property-related matters at the WTO and other international forums such as the WIPO have boosted South-South cooperation in ensuring a greater access to medicines and a related international regime (Chaturvedi, 2011).

Brazil, along with some developed country Members and developing countries (not including India and South Africa), have sought the removal of "existing restrictions on exports of essential medical goods, including COVID-19

vaccines, therapeutics, diagnostics” and said they will “make best endeavours to temporarily remove or reduce tariffs on goods that are considered essential to fighting COVID-19 pandemic” in addition to ensuring transparency and review of trade measures (WTO, 2021c). This was opposed by India. According to India, ‘stringent transparency obligations’ as well as the elimination of export restrictions and tariffs “will not guarantee access to vaccines, therapeutics or diagnostics or access to food for the most vulnerable” as such measures may “lead to, a flight of these critical final finished products to the highest bidder, making them inaccessible to the resource-poor further aggravating the current divide” (Government of India, 2021).

Services

As regards services negotiations, all the three IBSA countries are not members of the Trade in Services Agreement (TISA) plurilateral outside the WTO framework that sought to liberalize trade in the sector and ensure greater market access, and eventually be multilateralised within the WTO framework (Schneider-Petsinger, 2020; Government of Canada website on TISA). However, Brazil is part of the talks on the plurilateral within the WTO framework on services domestic regulation that aims to “develop disciplines to mitigate the unintended trade restrictive effects of measures relating to licensing requirements and procedures,

qualification requirements and procedures, and technical standards.” The plurilateral’s objective also is to look at ways to improve participation in Global Value Chains as well as to maximise the benefits therefrom through greater transparency and predictability in regulations (WTO, 2020e).

India and Brazil have made requests on Mode 4 (movement of natural persons) as well as Mode 1 (cross-border supply) and Mode 2 (consumption abroad) of the General Agreement on Trade in Services (GATS) (RIS, 2015). The common sectors where India, Brazil and South Africa have made commitments include business, communication, construction and related engineering, financial, as well as tourism and travel related services. South Africa with 91 commitments had the maximum number among the three countries, followed by Brazil (43) and India (37). The business and financial sectors were the ones where the three countries made most of their commitments (Mazenda, Masiya and Nhede, 2018) (Also see Table 2).

India had proposed an Agreement on Trade Facilitation for Services (TFS) as a counterpart for the Trade Facilitation Agreement (TFA) in merchandise trade. Pointing out that “border and behind-the-border barriers” were hindering services trade, India had stated that in order to address these barriers and facilitate services trade, “the broad objectives of the (goods) TFA,

Table 2: Sectors where IBSA countries have made commitments under GATS

Country	Sectors
Brazil	Business, communication, construction and related engineering, distribution, financial, tourism and travel related, transport
India	Business, communication, construction and related engineering, financial, health, tourism and travel related
South Africa	Business, communication, construction and related engineering, distribution, environmental, financial, tourism and travel related and transportation.

Source: Mazenda, Masiya and Nhede, 2018.

which were simplification and transparency, reduction of transaction costs, streamlining of procedures, disciplining fees and charges, expeditious processing of applications and cooperation between competent authorities, among others, were equally relevant.” South Africa, on behalf of the Africa Group coalition, agreed that “like Indian services suppliers, suppliers originating from the countries of the African Group also faced impediments when trying to enter foreign markets.” However, South Africa said it was not clear whether the proposed TFS would bring “any long-term gains for African countries, as net services importers.” According to South Africa, its “participation in the services discussions was in large measure contingent on the level of ambition and outcomes in agriculture, in respect of domestic support, and in the context of a balanced Doha Development Agenda package.” Brazil supported some parts of the TFS proposal including the provision on ‘electronic applications and acceptance of copies’, but wanted clarity on several other aspects including ‘publication and availability of information’ (WTO, 2017).

New Issues – E-commerce & Investment Facilitation

India and South Africa have challenged the ‘legal status of Joint Statement Initiatives (or JSIs on e-commerce, domestic regulation, investment facilitation, Micro, Small and Medium Enterprises, etc.) and their negotiated outcomes’ at the WTO (WTO, 2021d). These two countries, along with some other WTO members demanded the “continuation of the practice of decision-making by consensus” to ensure that the JSIs or plurilateral agreements as well as attempts to later multilateralise the JSI outcomes do not ‘change the fundamental multilateral architecture of WTO’ (WTO, 2019a). Brazil, however, has stayed away and is part of the discussions on JSIs including in Investment Facilitation for Development and e-commerce. Nevertheless, IBSA countries need to initiate

dialogue in the group on issues including e-commerce, investment facilitation, as well as competition policy in the context of TRIPS and government procurement for a better Southern response on them.

There is a scope for cooperation on investment facilitation though Brazil is among the proponents on the JSI on Investment Facilitation for Development (IFD), while India and South Africa have opposed it. India has been advocating the bilateral agreement route rather than the multilateral/plurilateral one on investment facilitation, and has made use of the WTO Working Group on Trade and Investment to express its views on the issue. Along with South Africa, India has been taking the stance that investment is not part of the Doha Round. They also do not agree with the proponents of the JSI on IFD that trade and investment are inter-linked, and instead have argued for the need to protect their policy space on this matter. However, it is important to note that India and Brazil have signed a Cooperation and Facilitation Investment Agreement (CFIA) in January 2020 (Government of India, 2020), which can be a starting point for deepening cooperation on this issue to ensure a “fair and sustainable relationship between foreign investors, their home countries, and the governments of host countries” as well as for greater ease of doing business through strengthening the relevant Single Electronic Window mechanisms aimed at improving ‘transparency of and accessibility to investment policies’ (Peres, 2021).

On e-commerce-related discussions at the WTO, India and South Africa came together to oppose efforts for plurilateral negotiations and a permanent extension on a customs duty moratorium on e-transmissions. Brazil, however, is part of the Ottawa Group of countries seeking to ‘prioritize and accelerate efforts to advance these (e-commerce) discussions to reach a timely and high standard outcome’ (WTO, 2020e). As per India and South Africa, the moratorium will adversely impact the industrialisation in

developing countries due to “the loss of the use of tariffs as a critical trade policy instrument” to support local industries and enable them to “grow and gain competitiveness.” Also, due to the digital divide, “participation of developing countries in exports of digitizable goods has been marginal,” and the gains flowing from the digital economy have been unevenly distributed. Moratorium will also lead to “potential tariff revenue loss to developing countries is estimated at USD 10 billion per annum (using average bound tariffs)”, as against tariff revenue loss of only USD 289 million for WTO high-income countries on account of their low average bound duties (0.2 percent)”, and “moratorium will be equivalent to developing countries giving the digitally advanced countries duty-free access to our markets” (WTO, 2020f).

IBSA Partnership on Climate Change Issues

Given the magnitude of the enormous challenges posed by the climate change, all the countries globally have started taking note of it and are showing serious concern in exploring ways to mitigate the impact it could have on the societies. Addressing the challenges of climate change is also critical in terms of its impact on biodiversity and food security. At COP21 in Paris, in December 2015, Parties to the UNFCCC reached a landmark agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low carbon future. The Paris Agreement is built on the principles of the UNFCCC and for the first time brought all nations into a common cause to undertake ambitious efforts to combat climate change. Regarding the issues of climate change, IBSA countries have been cooperating ever since the inception of the grouping and have been taking measures to combat climate change and also voicing their concerns at the multilateral forums. In light of the upcoming COP26 in Glasgow (UK) later this year, the

IBSA countries need to keep pursuing their demands for effective implementation of the Paris Agreement especially in terms of calling on the developed countries to fulfill their commitments with right earnest.

All the three IBSA countries have declared their rather ambitious climate targets and commitments to the UNFCCC in their Nationally Determined Contributions (NDCs). India has voluntarily committed to reducing greenhouse gas emissions intensity of its GDP by 33-35 per cent below 2005 levels by 2030. It has also set a target of increasing the share of non-fossil-based energy resources to 40 per cent of installed electric capacity by 2030 (subject to receiving adequate support). Brazil has set a target of 37 per cent reduction in emissions below 2005 levels by 2025 and an indicative target of 43 per cent reduction by 2030. South Africa, on the other hand, has set a target range between 398 to 440 Mt CO₂ eq for 2030, which is an ambitious improvement on their current NDC target. The upper range of its proposed 2030 target range represents a 28 per cent reduction in GHG emissions from the 2015 NDC targets (398-614 Mt CO₂ e).

Coverage of Climate Change Issues within IBSA

The issue of climate change has been one of the key topics within the IBSA cooperation and deliberations. In the first meeting of the Foreign Ministers of Brazil, South Africa and India in 2003, they highlighted their concern over the results of atmospheric warming due to the emission of greenhouse gases and encouraged countries having emission reduction goals in the Kyoto Protocol to work to bring them into force and fully implement them. They recognized the Rio Conference and its Agenda 21 along with the Johannesburg Plan of Implementation for Agenda 21, which endorsed the United Nations Framework Convention on Climate Change (UNFCCC) as the key instrument for addressing climate change. In the Cape Town Ministerial

Communiqué (2005), the three IBSA countries expressed their pleasure at the entry into force of the Kyoto Protocol and urged the developed countries to meet their own commitments and undertakings under the Protocol in terms of Green House Gas (GHG) emission reduction and also in terms of technology transfer, capacity building and financial support to the developing countries.

In the Brasilia Declaration, released after the first IBSA Summit in 2006, the three IBSA countries reaffirmed that the principles in the Rio Declaration and the Johannesburg Plan of Action, particularly the principle of “Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC)”, should continue to guide multilateral negotiations on environmental issues. The three IBSA countries urged the donor countries to meet their Official Development Assistance (ODA) targets and to mobilize new and additional financial resources, as well as to foster the transfer of environmentally-sound technologies in order to fully implement the outcomes of the World Summit on Sustainable Development (WSSD), held in Johannesburg in 2002.

Development of Carbon Market

In the subsequent New Delhi Ministerial Communiqué (2007), the three IBSA countries again underlined that climate change is a global phenomenon that requires an international response under the United Nations Framework Convention on Climate Change (UNFCCC). They urged that immediate and real effect must be given to commitments to international cooperation in fighting climate change, especially in the areas of adaptation, technology transfer, capacity building and the development of the carbon market. They argued that the early and significant commitments would give a long-term and strong signal to the private sector, including in its involvement in climate-related investments, and spur the carbon market.

Clean Technologies

Within the framework of cooperation in the Memorandum of Understanding (MoU) between the IBSA countries in the field of environment, it was stated that a couple of priority areas would be to promote cooperation aimed at mutual transfer of knowledge and promotion and development of clean technologies through joint research and projects; and to promote the exchange of information and knowledge, technical expertise, best practices and cutting edge technology through undertaking study visits, participation in short-term training courses. Within this framework, there is an ample scope to deepen the IBSA cooperation in transitioning towards cleaner, more flexible energy efficient systems that combine inclusive and sustainable growth while decreasing the Greenhouse Gas Emissions (GHGs) as committed in the Paris Agreement. Deeper IBSA cooperation in various areas such as advancing low or zero emission energy solutions such as renewable (solar, wind), hydrogen, bioenergy and biofuels can be further explored. The International Solar Alliance (ISA), established during the COP21 of UNFCCC with the pioneering effort led by India can play a key role in promoting clean energy through decentralised and off-grid solar power. This mechanism should be leveraged by the IBSA countries towards climate-friendly clean energy transition.

Clean Development Mechanism (CDM) and Biofuels

The IBSA countries acknowledged the contribution that the Clean Development Mechanism's (CDMs) could play in promoting sustainable development while leading the transfer of clean technologies to developing countries. They expressed their satisfaction at the successful launching of the International Biofuels Forum in 2007 in New York (proposal which was steered by Brazil, India and few

other countries) and reaffirmed the importance of the efforts being made in the context of the initiative to promote the establishment of an international market for biofuels.

On biofuels, the “IBSA Trilateral Task Team on Biofuels” was established in 2006 itself to facilitate technology transfer and promotion of biofuels production and consumption with a view to establish a world market for biofuels, in particular, ethanol and bio-diesel and to promote compatible frameworks for biofuels production, use, distribution and marketing in order to promote ethanol trading in major commodity market places worldwide. The Task team was also mandated to foster joint programs of research on the production and use of biofuels and to promote the exchange of information among the IBSA countries on the design of automobile engines for promoting the use of bio-fuels.

Climate Change as a “Global Public Good”

In the New Delhi Declaration, released after the third IBSA Summit in 2008, the three IBSA countries underscored the importance of urgent action on climate change and exhorted for an accelerated pace for long-term cooperative action in accordance with the provisions and principles of the UNFCCC, especially the principle of CBDR-RC. They argued that the technology and transfer of advanced clean technologies to developing countries had the potential to be a critical transformation agent in addressing climate change and called upon the international community to actively promote technology innovation and development and its transfer and deployment in developing countries. They also alluded to climate change as “Global Public Good (GPG)” and argued that the intellectual property rights (IPRs) regime must also move in a direction that balances rewards for innovators and the GPG.

In the subsequent Brasilia Ministerial Communiqué (2009), the three IBSA countries again underscored the need to fully implement the commitments under UNFCCC in accordance

with its principles, especially that of CBDR-RC. In the Brasilia Declaration, released after the fourth IBSA Summit in 2010, the three IBSA countries again urged the developed countries to take ambitious action to reduce their greenhouse gas emissions, and to provide adequate international financing and transfer of technology to support the efforts of developing countries to mitigate and adapt the impacts of climate change. In the 2011 Tshwane Declaration, released after the fifth IBSA Summit, the three IBSA countries called for an early operationalisation of all the institutions agreed to at COP16/CMP6 in Cancun such as the Adaptation Committee; the Technology Executive Committee, the Technology Centre and Network; the Standing Committee on Finance and the Green Climate Fund, which could provide significant means of implementation for action to tackle climate change.

Paris Agreement

In 2017 after the IBSA Trilateral Ministerial Commission Meeting, the three IBSA countries welcomed the entry into force, of the Paris Agreement adopted under the UNFCCC and urged all countries to work together for the fair implementation of the Paris Agreement based on the principles of the UNFCCC including the principles of equity and common but differentiated responsibilities and respective capabilities. They called upon developed countries to fulfill their commitment to provide necessary (means of implementation) financing, technology transfer and capacity building support to developing countries.

They further called for maintaining focus on the implementation of existing commitments by developed countries in the pre-2020 period, including the ratification of the Doha Amendment to the Kyoto Protocol. In 2018 too, the three IBSA countries emphasized that effective implementation of developed countries legal obligations under UNFCCC, its Kyoto Protocol and the Paris Agreement would

be essential for building trust among Parties and to create conditions for the successful implementation of the Paris Agreement.

IBSA Cooperation within BASIC

Apart from the IBSA-specific Summit Declarations, Ministerial Communiqués and Joint Statements, all the three countries have been voicing their collective stance on climate change through the platform of BASIC Group, which was created in 2009 after the signing of an agreement between Brazil, South Africa, India and China. Broadly the group has a common position on reducing greenhouse gas emissions and it has been carrying-out the negotiations within the UNFCCC. The group meets four times a year, once in each of the BASIC countries by rotation.

In the recent 30th BASIC Ministerial Meeting on Climate Change, which was hosted by India on 8th April 2021, the member countries emphasized that they are fully committed to implement their NDCs and underscored that the UNFCCC remains the centre of the collective, multilateral response to the climate crisis. They called for the faithful, balanced and comprehensive implementation of the Convention and its Paris Agreement, in accordance with its goals and principles, in particular equity and CBDR-RC. The member countries highlighted that the key outcomes of the upcoming COP26 in Glasgow (UK) would be to conclude the negotiations on Article 6, launch the operationalisation of the Global Goal on Adaptation (GGA) and achieve progress on climate finance, which is one of the key enablers for developing countries to implement ambitious climate actions.

They expressed deep concern on the insufficiency and inadequacy of the support provided by the developed countries and urged the developed countries to provide new and additional, sustained, predictable, adequate and timely finance, technology development and transfer and capacity building support

to developing countries. They also called for the developed countries to present a clear roadmap at COP 26 on their continued existing obligations to mobilize USD 100 billion per year from 2021 to 2025.

IBSA, Health Sector Cooperation and WHO Reforms

Given the unprecedented crisis caused due to the COVID-19 pandemic, the issue of safeguarding effective global healthcare governance has been flagged by many countries. The gaps within the current architecture and implementation strategies have come to the fore quite clearly. Towards fighting this pandemic, the role of international cooperation has also been found to be very essential and productive. Being three prominent developing countries representing three continents, the IBSA countries need to place a collective voice demanding for the reforms in the global healthcare governance system such as within the WHO, to ensure that it functions in a more effective, responsive and timely manner.

Healthcare Cooperation within IBSA

Health has been a key priority area within IBSA. In the first meeting of the Foreign Ministers of Brazil, South Africa and India in 2003, they highlighted the promotion of health in their respective countries and recommended that the exchange of experiences in combating disease in the three countries would be of immense use to all of them, thus paving way for the IBSA cooperation in the health sector.

In the Brasilia Declaration released after the first IBSA Summit in 2006, the IBSA countries welcomed the creation of the IBSA trilateral Working Group on Health and formulation of the IBSA Implementation Plan on Health focusing on public health laboratories, health surveillance, traditional medicine and sanitary control regulation. They also reiterated the need to reduce major trade barriers to facilitate access to new affordable quality vaccines, medicines,

diagnostics and technology aimed at preventing and controlling infectious diseases, and underscored that the flexibilities contained in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights, recognized by the Doha Ministerial Declaration on TRIPS and Public Health, should be fully used to protect public health.

In the 2007 Tshwane Declaration, released after the second IBSA Summit, the IBSA countries welcomed the discussion in the Inter-Governmental Working Group (IGWG) on Intellectual Property and Public Health of the World Health Organization (WHO). They acknowledged the important role of the WHO in the discussion of the impacts of intellectual property protection on public health and on the access to medicines.

In the 2011 Tshwane Declaration, released after the fifth IBSA Summit, the IBSA countries recognized that the effective impact of intellectual property on health, access to drugs and prices can best be tackled by enabling developing nations to scale up production of generic medicines through the full use of the flexibilities provided by the TRIPS agreement, in accordance with the Doha Declaration on TRIPS and Public Health, and, with the support of the World Health Organization (WHO), through the Global Strategy on Public Health, Innovation and Intellectual Property.

Given the thrust made by the IBSA countries on resolving the issue of the impact of IPRs on health and access to medical products, and given the notion that the TRIPS flexibilities provided for public health, under Doha Declaration, may not be sufficient to deal with crises such as COVID-19 pandemic, a common IBSA position on the recent joint proposal made by India and South Africa at the WTO on TRIPS Waiver on COVID-19-related vaccines and medical products, should be explored.

In 2007, a Memorandum of Cooperation (MoU) on participation in the field of health

and medicine between the IBSA countries was signed in Pretoria. Areas selected for the cooperation among the three Parties included HIV/AIDS, TB, Malaria, pharmaceuticals, vaccines, medicines, Traditional Medicine and disease surveillance. In light on the COVID-19 pandemic, there is a need to provide greater thrust in exploring the IBSA cooperation in the health sector.

The enhanced entrepreneurial collaboration among pharmaceutical enterprises, generic drugs and vaccine manufacturers, medical device and diagnostics kits manufacturers of the three IBSA countries would go a long way in ensuring the availability of affordable and accessible medical products for the societies of not only these three countries but also to many developing countries and LDCs across the world. Chaturvedi (2011) in a very detailed case study on India-Brazil cooperation in the health sector had argued that there is a lot of scope for enhanced cooperation not only between India and Brazil but also within the IBSA countries, which would further foster the South-South Cooperation (SSC).

WHO Reforms

In light of the increasing health emergencies and public health threats, especially those related to pandemics and epidemics, a coordinated and prompt global response is required. There is an imperative to ensure that the global health governance and the support structures with the WHO at its core are robust and suited to deal with such situations. Last year, owing to the COVID-19 pandemic, all the three IBSA countries along with many other countries moved a resolution in the 73rd World Health Assembly towards building and strengthening the capacities of WHO at all levels to fully and effectively perform the functions entrusted to it under the International Health Regulations (2005).

On WHO reforms, following set of recommendations have been made by

India in 2020 (MoHFW, 2020). All these recommendations are relevant for all the developing countries including IBSA countries.

- *Funding*: Increasing the regular budget of the WHO so that most of the care activities, including the health emergencies programme, are financed from it, without putting an overwhelming financial burden on developing countries.
- *Ensuring transparency of funding mechanism and accountability framework*: Establishing strong and robust financial accountability frameworks will enable maintaining integrity in financial flows. It is also crucial to establish a significant amount of transparency with respect to data reporting and disbursement of funds for increased accountability. It is also important to strengthen the effectiveness, and efficiency of various funding mechanisms e.g. WHO Solidarity Response Fund, WHO Foundation and Strategic Preparedness and Response Plan (SPRP).
- *Strengthening the Public Health Emergency of International Concern (PHEIC) declaration process*: The DG WHO should be allowed to declare a PHEIC if in his/her assessment there is a broad agreement, though not a consensus, within the IHR Emergency Committee.
- *Enhancement of the response capacities of the WHO and the Member States*: It is important that the programmatic activities carried out by the WHO, under its General Programme of Work, should focus on building and strengthening capacities in member states as required under IHR 2005, which are found lacking or deficient on the basis of the self-reporting on IHR 2005 done by the Member States. WHO may support creation of IHR technical and core competencies in each country so as to facilitate broad uniformity in country responses.
- *Improvement of the WHO's governance structure*: The two policy-making organs of the WHO i.e. the World Health Assembly and the Executive Board are currently playing a peripheral role. (This is more pronounced in the case of the Executive Board). It is necessary for this oversight mechanism to be strengthened and the inputs of Member States to be integrated.
- *Access to therapeutics, vaccines and diagnostics*: It has been felt that the TRIPS flexibilities provided for public health, under Doha Declaration, may not be sufficient to deal with crises such as the COVID-19 pandemic. There have been instances of restrictions on trade in public health goods in the initial phase of COVID-19. Also, as a reflection of vaccine nationalism, some developed countries have been signing bilateral agreements with vaccine manufacturers, leaving very little space for developing countries to get fair, affordable and equitable access to the same. Lack of awareness of TRIPS flexibilities and an enabling national mechanism has made it difficult for the developing countries to benefit from these provisions. Therefore, it is important to ensure fair, affordable, and equitable access to all tools for combating COVID-19 pandemic and, therefore, the need to build a framework for their allocation. The WHO is working in this direction and its work should be supported.
- *Global public good*: The tools for COVID-19 pandemic such as vaccines are a global public good and TRIPS waiver as proposed by India and South Africa would go a long way in the effective international and national response to COVID-19 pandemic. It is also important to develop a global framework or specialised protocols for benefit sharing for non-influenza pandemics on the lines of PIP Framework consistent with the objectives of the CBD and its Nagoya Protocol.
- *Creation of Global Framework for Management of Infectious Diseases and Pandemics*: There is a need to create a monitoring mechanism and

support to member states on International Health Regulations, preparedness of infrastructure, human resources and relevant health systems capacities such as testing and surveillance systems.

The IBSA cooperation on the issue of WHO reforms would lead to enhanced collective positioning of the IBSA countries on the issues related to public health and would help in putting forth a collective stance with the Southern narrative at the global healthcare governance architecture.

IBSA, Biodiversity Conservation and CBD

IBSA countries are classified as three of the 17 richest countries in biodiversity in the world, and have nine out of 36 biodiversity hotspots in the world i.e. one-fourth of world's total biodiversity hotspots are located exclusively in the Indian, Brazilian and South African territories. India has four of these hotspots i.e. the Western Ghats, the Eastern Himalayas, the Indo-Burma region and the Sundaland; while Brazil has two biodiversity hotspots i.e. the Atlantic Forest and the Cerrado. South Africa has three such hotspots i.e. the Cape Floristic Region, the Succulent Karoo, and the Maputaland-Pondoland-Albany. The IBSA countries are thus very rich in biodiversity resources.

Loss of biodiversity has become a critical concern globally, due to its strong linkages with the challenges of climate change and food security. Biodiversity is also a key factor for the achievement of many SDGs too. Given this, concerted global, regional and national efforts are required to arrest the biodiversity losses and to ensure net improvements. The CBD's overarching vision of "*Living in Harmony with the Nature by 2050* " has assumed greater significance in the recent times, particularly in light of the upcoming COP15 of the CBD, in which a new Post-2020 Global Biodiversity Framework is expected to be adopted. Being

biodiversity-rich countries, the three IBSA countries have a lot at stake and there is a need for them to keep pursuing their demands for developing fair and equitable governance architecture.

IBSA Cooperation in Biodiversity Conservation

Biodiversity conservation has been accorded a high priority within IBSA. In the very first meeting of the Foreign Ministers of Brazil, South Africa and India in 2003, they placed special significance on the negotiation of an international instrument on benefit sharing under the auspices of the Convention on Biological Diversity (CBD), as agreed at the Johannesburg Summit. They expressed their agreement that the activities of the Group of Like-minded Mega diverse Countries, of which Brazil, South Africa and India are founding members, should gain even greater importance. They also emphasised the need to render the relevant parts of the TRIPS Agreement compatible with the CBD. In the subsequent Meetings too, IBSA reiterated the common position on these lines.

In the Brasilia Declaration released after the first IBSA Summit in 2006, the Leaders called for the effective implementation of the Convention on Biological Diversity (CBD), especially the rights of countries of origin over their own genetic resources as well as the protection of associated traditional knowledge. In this regard, they highlighted with great appreciation the presentation in the WTO of the proposal co-sponsored, among others, by the three IBSA countries to amend the TRIPS Agreement by introducing a mandatory requirement for the disclosure of the origin of biological resources and/or associated traditional knowledge used in inventions for which applications for intellectual property rights are filed.

In the 2007 New Delhi Ministerial Communiqué, the IBSA Foreign Ministers reiterated the same position and also reaffirmed

their support for the principle of prior informed consent and equitable benefit sharing. In the 2008 Somerset West Ministerial Communiqué, the IBSA Foreign Ministers highlighted the need to adopt an international regime to protect and safeguard the fair and equitable sharing of benefits arising from the use of genetic resources and traditional knowledge and urged to conclude the negotiation process for such an international regime, within the framework of the CBD, by 2010. In the 2008 Third IBSA Summit New Delhi Declaration, the three countries also recognized the positive role of the IBSA Forum in enhancing the coordination within the Group of Like Minded Megadiverse Countries, of which the three countries are members, in the context of ABS negotiations.

All the IBSA Member countries are Parties to the Convention of Biological Diversity (CBD) and to the two related Protocols viz. Cartagena Protocol on Biosafety (CPB) and Nagoya Protocol on Access and Benefit Sharing. India has been Party to the CBD since 1994, to the CPB since 2003 and to the Nagoya Protocol since 2014. Similarly, Brazil is Party to the CBD since 1994, and to the CPB since 2004; however, it became Party to the Nagoya Protocol recently in 2021 itself. South Africa, on the other hand, is Party to the CBD since 1996, to the CPB since 2003 and to the Nagoya Protocol since 2014. The continuous cooperation among the IBSA Member countries on issues related to biodiversity and push for adoption of an international regime for ABS within the CBD Framework, bore fruit and the Nagoya Protocol on Access and Benefit Sharing (ABS) was adopted at the tenth COP Meeting in 2010 at Nagoya, Japan.

The IBSA Working Group on Environment was established in 2008 and a trilateral MoU on Cooperation in the Field of Environment among the IBSA countries was also finalised during the IBSA Summit in New Delhi in the same year. The main objective of the MoU was to promote a common beneficial partnership among the three

IBSA countries in the field of environmental management and sustainable development with a particular focus on biodiversity climate change issues, land degradation and desertification. The Environment MoU provided the ideal basis for the three parties to cooperate on environmental issues, share experiences and views amongst each other and develop common positions and approaches on key environment and sustainable development issues for COPs of important Multilateral Environmental Agreements (MEAs) such as UN CBD, UNFCCC, UNCCD, etc.

Post-2020 Global Biodiversity Framework

Being Parties to the CBD, the IBSA Member countries have acknowledged the concern relating to the biodiversity conservation in the face of its continuing loss. They have also expressed their concern regarding the non-fulfilment of Aichi Biodiversity Targets that were set for the period of 2011-2020 as part of the Strategic Plan for Biodiversity 2011-2020, agreed by the Parties in 2010. All three countries mark the 2050 Vision of the Strategic Plan i.e. 'Living in Harmony with Nature', as relevant for any future Strategy. In light of the recent discussions around the development of the Post-2020 Global Biodiversity Framework at the CBD, all the three IBSA Member countries in their individual submissions, have pitched for developing the next set of goals and targets by following SMART (Specific, Measurable, Ambitious, Realistic and Time-bound) approach.

They have strongly argued for integrating the means of implementation and resource mobilisation within the new Framework itself. These means of implementation include provisions for financing biodiversity actions, scientific and technological cooperation and technology transfer. The IBSA Member countries have stated the need for developing an effective funding strategy. In addition to the existing Global Environment Facility (GEF), the possibility of developing additional biodiversity funds like LDN (Land Degradation Neutrality)

Fund (*operating within United Nations Convention to Combat Desertification*) or GCF (Green Climate Fund) (*operating within the UNFCCC*) can be considered for exploring innovative financing mechanisms.

All the three IBSA Member countries have expressed the essentiality for aligning the new biodiversity framework with the Agenda 2030 for SDGs. The latent connection between biodiversity and the SDGs is very much eminent in the context of food and nutrition security, energy security, climate change, sustainable consumption and production, among other aspects. In addition, the new Framework should also be linked with the Paris Climate Agreement, UNCCD's Land Degradation Neutrality Goal, UN Strategic Plan for Forests 2017-2020 and Ramsar Strategic Plan 2016-2024.

Digital Sequence Information (DSI) and Access and Benefit Sharing (ABS)

On the issue of Access and Benefit Sharing (ABS) too, all the three IBSA Member countries have effective regulations and guidelines in place to ensure fair and equitable sharing of benefits arising out of the use of genetic resources. In light of the recent developments in the field of Digital Sequence Information (DSI), all the three IBSA Member countries have stated that the issue of accessing DSI amounts to accessing the genetic resources (GR) itself and their utilisation would fall within the scope of CBD/Nagoya Protocol, qualifying for the application of ABS regulatory framework that exists within each of these countries. However, they have also expressed their concerns in terms of the challenge in the context of identification of contributions, users and place of origin; monitoring and utilisation, including the issue of traceability of use of DSI especially when it is freely available in public databases. They have also expressed the need for building the capacity to handle these technological advancements.

In India, the ABS provisions of CPB and the Nagoya Protocol are implemented *inter alia* through the Biological Diversity Act 2002 and

the regulations thereunder. In Brazil, it's the Law No. 13,123/2015 that regulates the ABS provisions; while in South Africa, the 2013 Amendment to the National Environmental Management: Biodiversity Act, 2004 regulates the ABS provisions.

Review of Article 27.3 (b)

On the issue of review of the TRIPS Article 27.3(b), which deals with patentability or non-patentability of plant and animal inventions, and the protection of plant varieties, the IBSA countries have been collaborating since very early. A group represented by Brazil and India and including Bolivia, Colombia, Cuba, Dominican Republic, Ecuador, Peru, Thailand, and supported by the African group and some other developing countries, wants to amend the TRIPS Agreement so that patent applicants are required to disclose the country of origin of genetic resources and traditional knowledge used in the inventions, the evidence that they received "prior informed consent", and the evidence of "fair and equitable" benefit sharing. As per Paragraph 19 of the 2001 Doha Declaration [that has widened the scope of the discussion on the TRIPS Agreement requiring a review of Article 27.3(b)], the TRIPS Council should delve into the links between the TRIPS Agreement and the UN Convention on Biological Diversity, the protection of traditional knowledge and folklore and, in this regard take into account development issues as well. India, Brazil and South Africa have kept the focus on various aspects of this issue including making amendments to the TRIPS Agreement to ensure that patent applications have to 'to disclose the source and country of origin of biological resources and/or traditional knowledge used in an invention' as well as regarding the 'evidence of receiving prior informed consent and that of fair and equitable benefit sharing'.

With IBSA countries coming together in this regard in other multilateral forums such as WHO, WIPO and FAO, further trilateral cooperation on taking forward efforts on

ensuring “a common framework for preventing unsustainable use of genetic resources” will be crucial. To check the misappropriation and bio-piracy, and to ensure traceability, there is a need to continue IBSA countries’ coordination and cooperation towards developing a consensus for the ‘Common Mandatory Disclosure Requirement’ regarding genetic resources and associated traditional knowledge at the WTO TRIPS Council and at WIPO IGC. There is also a need to strengthen the W52 coalition group in this regard at the WTO. The topic is also important from the perspective of meeting the Sustainable Development Goals (SDG 2.5 and 15.6). However, these issues have been on the agenda since long and very little progress have been made (RIS, 2015). The bottlenecks in establishing a mandatory disclosure requirement at the international level are unlikely to be overcome in the near future too.

Nutritional Security and Traditional Crops

Ensuring nutritional security is critical for the achievement of SDG 2 (Zero Hunger). The IBSA Member countries have acknowledged the key role that various local and traditional crops could play towards this, given their high nutritious value, but at the same time, expressed their concern about the continued marginalisation/negligence of many such native and traditional crops, which has also contributed to the erosion of biodiversity across many countries and regions. In this context, there is an imperative for concerted action in this regard and to explore ways of supporting and promoting the use of neglected/orphaned crops within IBSA and other countries. To this end, the decision of UN to declare 2023 as the International Year of Millets after the adoption of the Resolution, sponsored by India and supported by more than 70 countries including Brazil and South Africa, is a welcome step. The IBSA Member countries need to promote cooperation in undertaking joint research in this topic of mutual concern.

Conclusion

As discussed in this chapter, it is quite evident that the IBSA countries have been cooperating on many key issues such as trade governance, climate change, healthcare, protection of Traditional Knowledge and biodiversity conservation ever since the inception of the trilateral grouping. Their cooperation has often yielded productive results in many of these domains, which also provides a Southern narrative on key global issues. Given the contemporary and emerging challenges, the enhanced cooperation and partnership among the IBSA countries would further place forth a strong message at the various global governance platforms towards their reforms to make them more participatory, inclusive and responsive to the needs of developing countries and LDCs.

On the issue of global trade governance, despite some differences on the need to protect their national interests, IBSA countries have chosen a constructive approach that will strengthen their cooperation and avoid situations leading to conflicts. They are now representatives of the developing world on global platforms such as G20 or when they are called as invitees to the G7 meetings where global trade governance issues are also discussed. IBSA Summit Declarations and IBSA Trilateral Ministerial Commission meetings have laid emphasis on coordination and cooperation in pushing the development agenda at multilateral organizations including WTO and the World Intellectual Property Organization. There is now a revival of interest in strengthening the IBSA alliance on various global, regional and trilateral issues. The three economies are also interdependent. Therefore, India, Brazil and South Africa are now in an ideal position to make use of past experiences regarding developing country collaboration and coalition-building as well as the knowledge and understanding gained from their trilateral cooperation initiatives to address areas of common interest in the WTO and other multilateral forums.

On the issue of climate change, it is quite evident that the three countries have been placing a great deal of attention and voicing their concern on the seriousness of the challenge of climate change ever since their first meeting as a grouping in 2003, not only for them but for all the developing countries and LDCs. The articulation of climate change as a “Global Public Good” in 2008 New Delhi Declaration, called for an effective and urgent international cooperation and support from the developed countries in terms of technology transfer, capacity building and financial support to the developing countries. However, even after more than a decade, many of the issues stay as it is, with no or very little progress. The three IBSA countries should keep on cooperating on this agenda and keep pushing for the global action within the Paris Agreement framework to achieve a tangible and concrete outcome based on the UNFCCC principle of CBDR-RC.

The IBSA countries, cooperation and support in the launch of International Biofuels Forum in 2007 after establishing the IBSA Trilateral Task Team on Biofuels in 2006 itself, had been a remarkable endeavour, which could have paved way for promoting biofuels as a cost-effective and immediate measure to address climate change accessible to developing countries. Unfortunately, due to the lack of adequate support from the global agencies and developed countries, the International Biofuels Forum could not sustain itself. It's high time that the IBSA countries reinvigorate their joint efforts towards pushing for the technology development for bio-fuels including the creation of a market. There is an ample scope for deepening the IBSA cooperation on clean technologies such as renewables (solar, wind), hydrogen and bioenergy. It is, therefore, clear that on the issue of climate change, the cooperation among IBSA countries has been going ever since the inception of the grouping and they have been quite vocal in flagging the seriousness of the topic within the UNFCCC. There is an ample scope of strengthening the

cooperation among IBSA countries on the issue of climate change and this need to be further explored and enhanced, particularly in light of the upcoming COP26 of the UNFCCC.

On the issue of healthcare, the IBSA countries have been cooperating on many fronts since quite a long. They have reiterated the need to reduce major trade barriers to facilitate access to new affordable quality vaccines, medicines, diagnostics and technology aimed at preventing and controlling infectious diseases, and underscored that the flexibilities contained in the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights, recognized by the Doha Ministerial Declaration on TRIPS and Public Health, should be fully used to protect public health. However, there should also be a thrust on presenting a collective support on some of the matters which are significant to not only the three IBSA countries but for many of the developing countries too such as the need for WTO TRIPS waiver on COVID-19-related vaccines and medical products and also the need for reforming the WHO to make it more inclusive, responsive and effective. There is also a need to strengthen the entrepreneurial collaborations within the IBSA countries for the development of pharmaceuticals, generic drugs, vaccines, medical devices and diagnostic kits.

On the issue of biodiversity conservation, all the three IBSA countries have been actively cooperating ever since the inception of IBSA and have been collectively pushing for the development of relevant policies/guidelines at CBD. However, there are still many areas where the joint collective efforts need to be pursued to get the desired outcomes such as the call for the review of Article 27. 3 (b), which has been pending for so long now. Being biodiversity-rich countries, the issue of fair and equitable ABS in the context of DSI is a key concern for the three IBSA countries. IBSA countries have voiced their individual position reflecting the challenges in dealing with this. A collective IBSA stance on this issue could

be envisaged. The issues of ensuring food and nutritional security, sustainable agriculture, production, reduction of carbon foot print, along with the concerns regarding the climate change, biodiversity conservation and emerging technologies are very much related to each other and pertinent to all the IBSA countries. Therefore, the IBSA countries need to keep striving for developing a concerted stance on the global platforms such as CBD and place forward the Southern narrative, particularly in reference to the upcoming COP15 of the CBD.

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5

Inclusive Development Paradigm: Core of Socio-Economic Sector

Introduction

The term 'social inclusion' over the recent years has occupied a prominent place in the international policy debates, as it is the process by which efforts are made to ensure equal opportunities for everyone, regardless of their background to achieve their full potential in life. (UN, DESA). Social inclusion in a true sense is pro-poor policies that ensure the well-being of each individual and protect the poor and vulnerable sections of the society who are excluded from the mainstream development policies due to the inherent challenges faced by them in terms of human vulnerabilities or natural calamities. As disparities are seen worldwide in the provision of and access to basic services, the socially and economically disadvantaged groups of society, have not benefitted equally or lagged behind from the mainstream development policies, due to deep-rooted unequal social structures of societies.

The current outbreak of COVID-19 pandemic has further put forth the issue of systemic inequalities which has impacted almost all sections of society over the world, including, women, youths, children, elderly, persons with disabilities and others. This unprecedented situation has resulted in loss of lives, livelihoods, lifetime earnings, and also revealed poor quality of healthcare services and education. At this juncture, the step towards ensuring social inclusion across the globe becomes a foremost priority for coping with the immediate challenges of COVID-19 and helping people to recover back assumes greater relevance.

In the light of the foregoing discussion, it is pertinent to highlight that IBSA has achieved significant progress towards the goal of social inclusion. Over the years, IBSA has made concerted efforts to alleviate poverty and hunger, enhance employment, and empower women and children, to make healthcare and education accessible to all by

initiating meaningful policy declarations and communiqués and also coordinating the social and economic activities through IBSA Funds projects in the LDCs and developing countries. The respective member countries of IBSA have achieved significant progress towards the goal of social inclusion to maintain social cohesion.

Moreover, the IBSA Facility for Poverty and Hunger Alleviation (IBSA Fund) is itself a remarkable example of trilateral cooperation among three developing countries. Ever since it became operational in 2006, in pursuit of promoting access, equity and inclusion it has genuinely improved the common lives of the people in developing countries and LDCs and advancing towards the achievement of various SDGs. Its purpose is to implement identified replicable and scalable human centric-development projects in developing countries in the fight against poverty and hunger, improved access to health care, addressing HIV/AIDS, education, safe drinking water, and sanitation and food security in an endeavor to achieve SDGs.

Approach towards Social Inclusion by IBSA

The objectives of the Brasilia Declaration aim to promote South-South Cooperation along with an equal emphasis on the promotion of social equity and socially inclusive growth through effective implementation of policies. It also highlighted the need to promote food security, access to health care services, social assistance, education, employment, human rights, tourism, transport, and environmental protection (Brasilia Declaration, 2003). Emphasis was on the importance of trilateral cooperation among them as an important tool for achieving social and economic development as their societies have diverse areas of excellence to generate the desired synergy for inclusive development of their respective countries.

The Trilateral Commission of the IBSA Dialogue Forum, 2004, which adopted the

‘New Delhi Agenda for Cooperation and Plan of Action’ stressed to make a significant contribution to the framework of South-South Cooperation and aspires to be a positive factor to advance human development by promoting potential synergies among the members. The strategic role of information and communication technologies has been duly emphasized to promote social and economic development as an essential tool for job creation, economic growth and poverty eradication. Like the commitments made earlier in Brasilia Declaration, the ‘New Delhi Agenda for Cooperation and Plan of Action’ reiterated IBSA’s commitments to address issues related to elimination of all kinds of racial discrimination and to promote gender equality. It also emphasized on mainstreaming gender perspectives in public policies. As the digital divide widens, other social divides such as income, access to education, scientific and cultural barriers, the Plan of Action called for joint action in combating the fast-growing digital divide not only between developed and developing countries but also within countries. (IBSA, 5 March 2004).

The Tshwane Declaration, 2011, also emphasized the necessity to raise voice on various multilateral fora to highlight the development priorities of the IBSA countries accordingly commitments were reaffirmed to the attainment of MDGs by 2015. India and South Africa pledged their support for Brazil for hosting of United Nations Conference on Sustainable Development in June 2012 in Rio de Janeiro (Rio + 20 Summit) to secure political commitment to sustainable development. In addition to that, IBSA leaders acknowledged the relevance of various themes like Green Economy in the context of poverty eradication and sustainable development and institutional framework for sustainable development in implementing the global sustainable development agenda. They were also convinced that Rio + 20 could play a significant role in addressing issues like food price volatility and food security, energy scarcity and energy access,

unsustainable patterns of consumption and production, challenges of rapid urbanization, land degradation and climate change.

In order to assess the commitment of IBSA member countries towards the path of social inclusion, the first section of the paper presents a brief overview of the institutional mechanism towards achievements of SDGs. The second section evaluates the inclusive social policies initiated by IBSA in their respective countries, followed by a section on IBSA cooperation in promoting access, equity, and inclusion in the

domain of financial inclusion and digital public goods. The concluding section analyzes their continued commitments to strengthen trilateral cooperation and suggests a way forward.

Going Forward - Achieving SDGs

In view of the rankings of IBSA in Human Development Index (HDI), Brazil is considerably better ranked than India and South Africa, as it occupies the 84th position, while India and South Africa occupy 131th and 114th rank respectively out of total 189 countries. (HDR, 2020) Table 1

Table 1 Total Population in IBSA Population, total (millions)

Country	2005	2011	2015	2019
Brazil	186.13	197.51	204.47	211.05
India	1147.61	1250.29	1310.15	1366.42
South Africa	47.88	52.00	55.39	58.56

Source: The World Bank, WDI

Table 2 Health System Indicators: IBSA

	Year	2005	2011	2015	2019
Life Expectancy at birth, Total (Years)	Brazil	71.90	73.92	74.99	75.88
	India	64.50	67.13	68.61	69.66
	South Africa	53.45	58.90	62.65	64.13
Life Expectancy at birth, Female (Years)	Brazil	75.78	77.66	78.70	79.56
	India	65.36	68.22	69.84	70.95
	South Africa	55.93	61.94	66.11	67.68
Life Expectancy at birth, Male (Years)	Brazil	68.17	70.27	71.35	72.24
	India	63.69	66.12	67.47	68.46
	South Africa	51.10	55.99	59.34	60.73
Maternal mortality Rate (national estimate, per 100,000 live births)	Brazil	71	61	63	60*
	India	286	197	158	133*
	South Africa	1480	1070	1110	1150*
Infant mortality Rate (per 1,000 live births)	Brazil	22	16	14	12.4
	India	55.7	43	34.9	28.3
	South Africa	48.2	30.5	28.5	27.5
Under-5, mortality Rate (per 1,000 live births)	Brazil	24.7	17.9	15.7	13.9
	India	74.5	55.1	43.5	34.3
	South Africa	79.1	44.8	37.1	34.5

Source: The World Bank, WDI, HDR

Notes: *figures for year 2017

MMR source: HDR data source, <http://hdr.undp.org/en/indicators/89006>

Maternal mortality ratio (deaths per 100,000 live births)

on total population in IBSA reveals that India has the highest population as this is the second most populated country in the world with a population of over 1.36 billion in 2019 and Brazil with 211 million followed by South Africa's population is only 58 million in 2019.

There have been some improvements in the health outcomes in IBSA as evident from the Table 2, which presents data on the total life expectancy at birth, the life expectancy of females and males at birth, maternal and infant mortality rates, mortality ratios under the age of 5 during 2005-2019, in these countries.

During the period 2005-2019, India and Brazil have shown some improvements in the overall life expectancy which has increased by merely one year from 2015. Brazil has the highest life expectancy at birth as compared to the other IBSA member countries. Furthermore, the situation of women in these countries is not satisfactory as clearly reflected in maternal mortality rates (MMR) figures. However, in South Africa, the position of women needs dire attention with the MMR being 1150 as against 133 and 60 for India and Brazil respectively in 2017. On the positive side, there has been an overall decline in the infant mortality rates during the same period in all the IBSA countries.

The presentation of these kinds of the health profile of IBSA countries are quite evident that at least some improvements are taking place from 2005 onwards in health indicators of the country. However, it demands meticulous trilateral cooperation among IBSA which has huge potential for strengthening each other's strengths by sharing best social inclusive policies for the achievement of SDGs in their respective countries.

India

Despite the outbreak of COVID-19, the world over, sustainable development remains core to India's development strategy (Economic Survey, 2020-21). India's development agenda with a dictum of *Sabka Saath Saabka Vikas*

(Collective Effort for Inclusive Growth) is completely aligned with the SDGs principle of '*leaving no one behind*'. India has developed mechanisms to localize the SDGs and their implementation process to bring in the sub-national entities and the sub national institutions in their conception and execution. The process of localization of SDGs involves various steps that involve adapting, planning, implementing and monitoring the SDGs from national to local levels by relevant institutions and stakeholders. (Economic Survey 2020-21). In order to achieve SDGs within the stipulated time period, various social inclusive policies have been initiated at the national and sub national level to mainstream the SDGs in the fight against poverty, improvement in health, education, livelihoods, skills for entrepreneurship and employment. The Government of India is empowering millions of lives and future of millions of Indians through *Jan Dhan Yojana*, a financial inclusion programme to give access to banking services to every household, financial literacy, access to credit and insurance and pension facilities. An overarching social inclusion policy that ensures direct subsidies to get it deposited in bank accounts in the form of direct benefit transfers. Similarly, under *PAHAL Yojana*, LPG subsidies are directly deposited into the bank accounts of the women beneficiaries. Apart from providing banking services, in pursuance to social inclusion, Government also moved ahead to provide insurance and pension covers to its citizens through *Pradhan Mantri Suraksha Bima Yojana* which provides accident insurance worth Rs 2 Lakh at just Rs 12 per year. *Pradhan Mantri Jivan Jyoti Bima Yojana* provides life insurance at just Rs 330 per year and *Atal Pension Yojana* provides a pension of upto Rs 5000 a month depending on the contribution.

In order to boost entrepreneurship among the youths, and make India self-reliant, the 'Make in India' initiative is based on four pillars i.e. new processes which recognizes 'ease of doing business' as the single most factor

to promote entrepreneurship. Government in their endeavor to develop state of the art industrial corridors and smart cities, believes that availability of modern infrastructure is another pillar for the growth of industry through modern high-speed communication and state of the art technology is the need of the hour. For that twenty five sectors have been identified in the manufacturing, infrastructure and services sectors, in order to provide jobs and entrepreneurial skills to youth in nation building. The two other flagship programmes viz. Startup India and Skill India are the major initiatives to enhance the employability of the youths by providing skills to dropout students and existing workers. Skill India scheme enables a large number of youths to take up industry level skill training for securing a better livelihood through entrepreneurship.

In India, there has been considerable improvement in the social sectors like healthcare, education, poverty reduction, gender equality, availability of clean water and sanitation and employment through the concerted efforts to boost social infrastructure and the progress across the SDGs. India's flagship programmes like Ayushman Bharat, with its two components health and wellness centers to provide primary health care and Pradhan Mantri Jan Arogya Yojana (PMJAY) to provide health cover to poor and vulnerable families up to Rs 5 lakh per family per year for secondary and tertiary hospitalizations speaks volume of India's vision for a healthy India. PMJAY is the world's largest health insurance scheme and can be considered as the stepping stone towards providing affordable healthcare services to the poor.

As India is working on a holistic and inclusive health model, the countrywide launch of *Ayushman Bharat Digital Mission* (ABDM) is a historic initiative that has the potential of bringing revolutionary transformation in India's health facilities. It aims to give every citizen a unique digital health ID in which their personal health records will be digitally

protected along with the link to their Aadhaar card. This process will not only simplify the hospital procedures but also ease the patients' mental trauma in dealing with undue formalities of the hospital. Accordingly, this model would emphasize on preventive health care and in case of disease, there are provisions of easy, affordable and accessible treatment for all. This e-Health system would further enable digital consultation across the country and with the consent of patients, online sharing of their health records across the country by medical practitioners is an added advantage. At the outset, ABDM shall create a seamless online platform "through the provision of a wide range of data, information and infrastructure services, duly leveraging open, interoperable, standard-based digital systems" while ensuring the security, confidentiality and privacy of health-related personal information. (<https://abdm.gov.in/home/ndhm>)

Under *Swachh Bharat Mission- Grameen* (Clean India- Rural) rural sanitation coverage has increased from 39 per cent in 2014 to 100 per cent in 2019 ensured that no one is left behind to achieve the goal of the overall cleanliness of rural India. Similarly, to improve the quality of life, *Jal-Jeevan Mission* (JJM) (tap water supply in households) is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. These are some of the developmental efforts of India which are quite evident that it is striving firmly to consolidate sustainability through social inclusive development policies towards the achievement of SDGs.

However, the ongoing pandemic has somewhat halted the progress towards the process of achieving the SDGs. Despite this unprecedented crisis, India announced several measures to help the low-income families, particularly women. Under the *Pradhan Mantri Garib Kalyan Package* (PMGKP) fintech and digital technology have been employed for

swift and efficient transfer to the beneficiary, i.e Direct Benefit Transfer (DBT) that ensures that the amount is directly credited into the account of the beneficiary. Under *Atma Nirbhar Bharat Abhiyan*, Government announced a comprehensive stimulus cum relief package of Rs. 20 lakh crore during May 2020 apart from free food grain supply, this scheme has been extended till November 2021 keeping in mind the seasons of rains and festivals.

The Government in order to facilitate that no one should remain hungry at this crucial hour, distribution of free ration has been outlined in the plans. In addition, under the Pradhan Mantri Ujjwala Yojana (PMUY) provision to provide LPG cylinders to women beneficiaries is also planned. Further Government also announced for 20 crore women Jan Dhan account holders to get Rs. 500 per month for next three months. Apart from this, to ensure the adequate availability of protein in the meals to all the people, who are below the poverty line, one kilogram of pulses per family was proposed and ensured to be provided free of cost. These progressive steps of Government must have been highly beneficial for the poor people especially the women who are engaged in informal sectors and domestic works during the lockdown period when most of them remained unemployed.

According to the Ministry of Finance, Government of India sources whatever measures were announced by the Government to the poor women have been duly fulfilled in the subsequent months. As part of the Rs. 1.70 lakh crore PMGKP, the Government announced free food grains and cash payments to women and poor citizens and farmers. More than 42 crore people received financial assistance of Rs. 65,454 crores under the PMGKP. Under *Atma Nirbhar Bharat Abhiyan*, Government announced comprehensive stimulus cum relief package of Rs. 20 lakh crore during May 2020 apart from free food grain supply and chana (black gram) to migrants, this scheme has been extended till

November 2021 keeping in mind the seasons of rains and festivals.

Under the *Pradhan Mantri Garib Kalyan Ann Yojana* (PMGKAY) Phase VI extended for a period of another six months i.e. till September 2022 @ 5 Kg ration (rice and wheat) per person, per month free of cost for all the beneficiaries covered under the National Food Security Act (NFSA), including the Direct Benefit Transfer (DBT) beneficiaries. According to the Government estimates, with the subsequent extension of PMGKAY, the aggregate allocation of free foodgrains now stands at 1003 LMT of food grains. (PIB, Government of India, 26 March 2022). 'One nation, one ration card' was also launched in some states to enable migrant beneficiary to access 'public distribution system' dry ration from any fair price shop in the country. So, over the years, the social inclusive development and welfare schemes implemented by the Government along with the relief measures must have positively impacted the sizeable proportion of the population, especially the poor families.

To give a boost to distance learning or online education efficiently during the outbreak of COVID-19, under the Atma Nirbhar Bharat programme in May 2020, a comprehensive PM eVIDYA initiative was launched for school and higher education to unite all efforts related to digital/online/on air-education to enable multi-mode and equitable access to students and teachers. All its four components like DIKSHA, Swayam Prabha, Community radio and particularly for the differently-abled can be effectively used by other IBSA member countries to ensure uninterrupted online classes for their children studying in schools (Economic Survey 2020-21, Vol.2).

In the fight against COVID-19, India assessed and ensured the availability of the essential medicines, hand sanitizers, protective equipments like masks, PPE kits, ventilators and adequate testing and treatment facilities as well as vaccination of the people. Despite its havoc

on the economy and social sector development, the Government of India intervened in a very systematic manner; as India has one of the lowest cases of fatality rates of less than 1.5 per cent. The Ministry of Ayush also issued an advisory regarding self care guidelines and preventive healthcare measures for immunity. Vaccine Maitri (Vaccine Friendship) is a humanitarian initiative of the Government of India to provide COVID-19 vaccines to the countries around the world. Under this initiative, India started sending vaccines and medicines to its neighboring countries apart from other countries.

The world's largest COVID-19 immunization programme was launched in January 2021 through the two indigenously manufactured vaccines viz. COVISHIELD and COVAXIN. In the first round, around three crore frontline health workers have been vaccinated and in the second round, elderly, people with serious comorbidities are being vaccinated. Furthermore, Co-WIN software has been developed by Government for real time information of vaccine stocks, their storage temperature and individualized tracking of beneficiaries for the COVID-19 vaccine has been also operationalized successfully. (Economic Survey 2020-21). Apart from this, new vaccines have also been approved like Sputnik, and Zydus etc.

To revive the employment and livelihood opportunities for returnee migrant workers and similarly affected citizens in rural areas under the *Garib Kalyan Rozgar Abhiyan* with a total expenditure of Rs. 392.9 billion, around 507.8 million person-days employment was generated. This scheme was launched in June 2020 which provided 125 days of employment in the wake of covid-19 pandemic (PIB, 2021).

Brazil

The Brazilian Federal Government understands the importance and the guiding role that the 17 Sustainable Development Goals (SDGs) have in building a fairer, developed, and sustainable country. Committed to achieve the SDGs, the Brazil Government created the National Commission for the SDGs in 2016 that was replaced by the Special Secretary of Social Articulation (SEAS) of the Government Secretariat (SEGOV-PR), as the main body in charge of coordinating the internalization of actions of the 2030 Agenda within the Federal Government and jointly with the Special Secretary of Federative Affairs with federative bodies. To face inequalities, the Government policies need to be aligned with 2030 Agenda actions at all levels of government. Local governments shall adapt national targets and indicators to their local reality through effective

Box 2: Address by India's Prime Minister at Co-Win Global Conclave 2021, 5 July 2021

Indian civilization considers the whole world as one family. This pandemic has made many people realize the fundamental truth of this philosophy. That's why, our technology platform for Covid vaccination – the platform which we call Co-Win – is being prepared to be made open source. Soon, it will be available to any and all countries. Today's Conclave is the first step to introduce this platform to all of you. This is the platform through which India has administered 350 million doses of COVID vaccines. A few days ago, we vaccinated about 9 million people in one day. They do not need to carry around fragile pieces of paper to prove anything. It is all available in digital format. But best of all, the software can be customized to any country as per their local requirements.

Excerpted from the address delivered by Hon'ble Prime Minister of India at Co-WIN Global Conclave 2021, 5 July 2021. Source: https://www.pmindia.gov.in/en/news_updates/pms-address-at-cowin-global-conclave-2021/?comment=disable&tag_term=pmspeech.

planning and budgetary allocation. The Brazilian Institute of Geography and Statistics (IBGE) maintains a data repository on Brazilian indicators (<https://odsbrasil.gov.br/>), while the Institute for Applied Economic Research (IPEA) provides proposals and analyzes of the 2030 Agenda (<https://www.ipea.gov.br/ods/>).

In pursuit of social inclusion and achievement of SDGs, Brazil has built upon various policies to support families and their children based on a consensus about the need to invest in human-centric development and economic growth in the fight against social inequalities. Brazilian children are in better and safer conditions with the implementation of the Unified Health System, the Unified Social Assistance System, and the right to basic education and greater access to childcare centres. The Unified Health System provides basic health care services at all levels of care, and it also provides almost 70 per cent of hospitalization in the country. The *Crianca Feliz* (Happy Child) programme promotes the integral development of children through the strengthening of family skills seeking to contribute to the breaking of the cycle of poverty and reduction of violence.

Civil Society Working Group for the 2030 Agenda, SDGs Strategy, SDGs Brazil Network and the *Nós Podemos* (We Can) National SDGs Movement are some of the networks that have been created at both national and sub-national levels to implement projects and initiatives for localizing SDGs. Furthermore, Brazilian civil societies are also responsible for implementing various proactive roles with an impact on the social dimension of SDGs, particularly related to children, youths, gender, issues of inequalities, labour, disabilities, food and nutrition among others. Under the PPP model these civil societies are also implementing projects in the areas of education, income generation, labour markets, healthcare practices, reforestation, water and environmental technologies. To achieve the targets proposed under SDG 1, the National Policy for Social Assistance

(PNAS), implemented through the Unified Social Assistance System (SUAS), organizes the nationwide provision of social assistance benefits, services, programmes and projects to reduce poverty and improve the living conditions of the vulnerable sections of the society. Moreover, the *Bolsa Familia* programme also plays a very constructive role in enhancing the incomes of poor and extremely poor families.

In Brazil, poverty is largely concentrated among children and people living in rural areas. Since the middle 1990s Conditional Cash Transfer Programmes have been widely implemented aiming to reduce poverty, inequality, and hunger. *Bolsa Familia* (BF) is a social welfare programme of the Brazilian Government which provides regular monthly transfers to poor and extremely poor families in Brazil. While extreme poor families receive a basic income and, if necessary, a per capita transfer to reach the extreme poverty line after accounting for both the variable benefit for children and the basic income, poor families only receive the variable benefit per child, which is paid preferentially to the women responsible for the children on the condition that children attend schools regularly, are fully vaccinated and pregnant women, if any in the household, attend prenatal health check-ups. BF programme can be considered one of the largest social cash transfers in the world. It is a rare case of means-tested social assistance programme in the developing world, but if anything, its targeting performance is similar to or even better than other CCT programmes in the region. The BF programme uses the Unified Registry - the main social registry through which low-income families can access targeted social programmes in Brazil - not only to select its beneficiaries, but also to inform complementary programmes with a view to supporting economic inclusion and providing a referral to other services. The Unified Registry was a key tool used to implement Brazil's

Digital Health Strategy in Brazil

Brazil declared the outbreak of COVID-19 as the public health emergency that required urgent responses from the Unified Health System (*Sistema Unico de Saude, SUS*) the Brazilian Public Health System. The National eHealth Strategy Toolkit, by WHO approved the Brazilian digital health strategy in 2017 and defined as a fundamental SUS dimension, i.e Conecte SUS, based on two projects - the National Health Data Network (*Rede Nacional de Dados em Saúde, RNDS*) which promotes the exchange of information between different services of the Healthcare Network. It takes care of digital health applications and electronic health records, portals, and mobile apps for all the citizens. During the pandemic outbreak in Brazil, RNDS became the repository of COVID-19 national data, the other program to support Computerization Qualification of Primary Health Care Data (*Programa de Apoio a Informatizacao e Qualificacao dos Dados da Atencao Primaria a Saude, Informatiza APS*) aims to support computerization of health units and the qualification of primary health care data across the country.

Initially in 2019, Conecte SUS was started as a pilot project in one State with a proposal to expand it later throughout in Brazil. However in between in March 2020 amidst COVID-19, SUS IT Department (DATASUS) established the New Corona virus Crisis Committee for evaluating new health management technologies to assist the Ministry of Health with an objective to adopt series of strategies for efficient response to the virus in coordination with public and private health systems. The contingency plan prepared by DATASUS adopted some specific strategies like creation of an app related to the virus (Coronavirus SUS app), restructuring of a web-based notification system, a web-based panel of official disease data and use of telemedicine. This app includes various unique features like list of different symptoms of COVID-19, suggests ways to prevent it, actions to be taken in case of suspected infection, indicates nearby health centres location etc. Basically it facilitates the user to get access to their health records, concerning COVID-19 and based on their health data, app recommends certain guidelines for the user. The latest updated version of the app is well equipped to give warning if the user has physically approached someone infected with virus in the previous fourteen days.

It is a centralized digital app that all citizens can access remotely that brings health services during the outbreak of COVID-19 for their entire health system

Source : Donida, Bruna & Others, (2021).

emergency cash transfer *Auxilio Emergencial* to respond to the COVID-19 crisis, covering both BF beneficiaries, but also low-income families registered in the Unified Registry, but that were not eligible for the BF programme. Evaluations have showed that the BF programme has been successful in reducing levels of poverty, inequality, and hunger without generating negatives impacts in terms of labour force participation.

In Brazil, there is also a focus on the elimination of hunger and food insecurity, that has translated into government initiatives through various policy measures ranging from social protection

policies, like cash transfer programmes to strengthen agricultural production through credit provision and public procurement from family farmers. One such Program viz. the programme for Food Acquisition from Family Agriculture Production (PAA) is also linked with several SDGs as it promotes family farming, social and economic inclusion and boosts sustainable production and income generation. Moreover, the National School Meal programme (PNAE) allocates around 30 per cent of the funds for purchasing food items from small scale farmers for the distribution of meals to more than 40 million students in

schools, thereby inculcating healthy nutritional habits among school-going children.

The Emergency Aid, the most important social protection measure, with investments of almost US\$ 60 billion, the program has already made monthly payments to more than 67.8 million citizens, assuring them direct positive impact on the lives of more than 126.5 million Brazilians. Moreover, as an additional measure, Brazilian Government decided to expand the *Bolsa Familia* program, adding 1.2 million new families.

South Africa

Likewise, to achieve inclusive growth and sustainable development, South Africa is committed to achieve the goals of Agenda 2030 and the African Union's Agenda 2063 - 'the Africa We Want'. In fact, South Africa played a very significant role during the initializing of these global goals. For that, the Government has created a national institutional mechanism comprised a national government, provincial and local government, Parliament, civil society, private sector and academia, the United Nations, the AU, SADC and other development partners in monitoring the achievement of SDGs. It is a good opportunity as South Africa's National Development Plan (NDP), the strategic document of the Government's roadmap for social and economic development programmes is quite similar to the broad objectives of SDGs. The NDP of South Africa focuses more or less on the broad objectives specified in SDGs, particularly in areas related to enhancing employment, by pacing up economic growth, including the quality of education, promoting skill development and innovation, emphasizing more on building the capabilities for development and other related areas, to cover all segments of the population. These social inclusive goals specified in NDP will facilitate the accomplishments of SDGs. Improvement in education level will lead to

higher employment and related opportunities which in turn enhance the earnings and also create a pool of skilled workers for improving the services sector.

As envisaged by SDGs to cover 'leaving no one behind' the South Africa's development programme lays special emphasis on identification and serving the most disadvantaged groups by allocating adequate resources to provide free education and free primary health care services to reach every disadvantaged group. This initiative has led to the accomplishing universal literacy, enhanced access to primary education and considerable decline in maternal and child mortality rates. Various legal provisions have been initiated to reduce the discrimination against women and also to protect them from gender-based violence. Providing employment and skills training opportunities to the youths has been one of the major initiatives to reduce unemployment rates. According to World Bank Report, 2018, South Africa spends more on various social assistance programmes compared to many other developing countries. South Africa spends 3.3 per cent of GDP on the social safety net, as against an average of 1.5 per cent in upper middle-income countries and 1.9 per cent in high-income countries. (South Africa's VNR Report, 2019).

In spite of all these measures and initiatives, still South Africa is struggling to cover the entire disadvantaged sections of society, inequalities continues to be high which highlights on partial coverage of the poor. More concerted efforts are required by Government to reduce poverty and inequality and also to speed up their inclusive growth, policy initiatives and effective implementation.

The Government of South Africa declared a national state of disaster, which at present extended to July 15, 2021. Apart from the normal lockdown and general restrictions, South Africa announced its participation in

the WHO's Global Vaccine Access facility to devise its vaccine strategy. India too, in the early stages of pandemic response focused on social protection and healthcare. These include in-kind (food, cooking gas) and cash transfers to lower-income households, wage support and employment provision to low-wage workers, insurance coverage for the workers in the health care sectors and health infrastructure. The Government expanded the Central Government budget on health and well-being, including a provision for the country's vaccination programme. Further, custom duties and other taxes on vaccines, oxygen and oxygen-related equipments were waived to boost their availability.

Since 1994, to ameliorate the hardships faced by the vulnerable sections of society, the social assistance programme has been expanded significantly to the extent that it covered around 18 million beneficiaries in 2019-2020. Apart from this, Expanded Public Works Programme provides employment based income security to working age people. It aims to promote skills development and provide income relief for unemployed people through temporary employment according to the Government's capacity to accommodate all. In contrast to the social assistance, the social insurance protection system like the Unemployment Insurance Fund (UIF) provides conditional short-term protection against unemployment, illness, unpaid maternity leave, unpaid leave for the adoption of a child and death on prior formal employment, registration and the monthly contributions to the fund.

Owing to the unprecedented situation during the pandemic Government of South Africa initiated many relief programmes for the formal sector employees registered with the South African Revenue Service (SARS). Further, the Department of Employment and Labour made provisions for additional assistance to workers who lost their jobs during the COVID-19

related causes through the UIF. A short-term wage subsidy programme – the Temporary Employee/Employers Relief Scheme (TERS) was introduced to help prevent retrenchments by providing wage support. The South African Child Support Grant (CSG), a milestone in the history of social transfer scheme accounted for 71 per cent (or approximately 13 million) of the total number of grants disbursed in 2019-20, expanded significantly because of an increase in age limit of children and subsequently there has been a huge boost up in the majority of women recipients of the child grants.

Access to basic services like food, healthcare, running water, electricity and sanitation during pandemic became a major challenge in South Africa worsening the pre-existing structural problems, therefore, to ameliorate the hardships faced by the vulnerable groups of sections, the Department of Water and Sanitation made adequate provisions of water tankers for poor in rural areas, apart from that also provided health and hygiene-related products are some of the momentary solutions. In addition, to ensure the quality of water supply in the households, the National Disaster Water Command Centre took initiatives to maintain water quality to some extent by maintaining ownership and by preventing private supply.

Women, children and elderly people are mainly vulnerable to food security, particularly with an added dimension of increasing malnutrition and under nutrition in non-urban areas posed the risk of existing co morbidities in the vulnerable sections of the society to expose to COVID-19. While considering this, food and nutrition security features prominently on the country's development agenda. Further National School Nutrition Programme, urban agriculture and gardening programmes and integration of nutrition into early childhood development programmes are some innovative examples of policy responses.

Way Forward

IBSA can effectively cooperate in various sectors pertaining to global public goods to address some of the common challenges faced by these countries, such as joint vaccinations drive for the ongoing COVID-19 pandemic, medicines, telemedicine, research on neglected diseases and biodiversity conservation. In this context, there is enough potential in India to share the know-how of Co-WIN application in IBSA countries and subsequently globally by making it freely accessible with local customization.

Beyond sharing of technical knowledge and skill development, IBSA countries should seek triangular cooperation in terms of the generation of resources to scale up digital public goods to cope up with the ongoing crisis of the COVID-19 pandemic. Given the high Science, Technology and Innovation (STI) competence, cooperation for vaccine research, supply chain management, procurement of raw materials, genome sequencing and data sharing can be also accelerated by IBSA, which would successively empower most of the developing countries in the fight against the ongoing pandemic.

India along with other IBSA countries has committed to ensure inclusive and equitable quality education for all children by 2030. Education plays a crucial role in enhancing human capital, for the re-skilling and up-skilling of people during the post-COVID-19 recovery, achieving sustainable development and allowing for an inclusive economic growth. Taking forward, the Sixth IBSA Academic Forum Declaration 2019, endeavors, as the Forum noted that IBSA countries have a long history of premier and prestigious institutions of higher learning; accordingly there is enough scope for academic and research collaboration in a number of new areas that are important to IBSA. The prospect of fostering student and Faculty interchange programmes, and dual/triple degrees at selected IBSA universities should be further investigated. In addition to this, special IBSA-focused research joint

technology projects and capacity building programmes in emergent areas like renewable energy, climate change, health, agriculture, vaccines, biotechnology where joint cooperation can be effectively undertaken by these countries.

The recently concluded seventh IBSA Academic Forum, 2021 emphasized wide-ranging issues and identified several important areas of cooperation among the IBSA countries. Future of economic partnerships and the need for strengthening intra-IBSA cooperation on issues of trade, technology, resilient value chains and accelerating the digital transition processes for inclusive social development are some of the core areas identified in this Forum.

There is a scope to enhance cooperation in the field of TVET and higher education through best practices available and exchanges of knowledge and expertise including in the field of digital technologies, which are the prerequisite of achieving high quality and easily accessible education for its student's fraternity. One can say that the process of digitalization is the core dimension of the 4th Industrial Revolution arena. It's quite obvious that the skills that tend to Industrial Revolution 4.0 needs are absolutely different from the ones that have always been in traditional use. In view of their huge demand, the skilled workforce in IBSA has to re-skill and accommodate themselves in the new environment. Further, it is also imperative for the countries to adopt new appropriate policies for entrepreneurial skills for the coming workforce. Role of higher educational institutes to deliver the right kind of skills and technology for the future generations is the need of the hour to harness the benefits of the 4th Industrial Revolution. It provides scope for cooperation at governmental and non-governmental levels in the future of education and skills as sharing of best practices can combat cross-domain challenges.

Aimed at deepening the relationship between the societies in India, Brazil and South Africa, various people-to-people forums have been

created to promote the exchange of ideas and cooperation on a wide range of cross-cutting socio-economic issues for promoting inclusive and sustainable development. With the increasing deployment of digital technologies, there is an immense scope for strengthening the Digital Economy in all the respective IBSA countries. The rapid rise of digital technologies has been transforming social and economic activities.

Under the Digital India programme, Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application introduced the benefits of digital payments in every part of the country. Similarly, the e-RUPI voucher is going to play an important role in making digital transactions and DBT more effective in the country. It will ensure targeted, transparent and leakage-free delivery to everybody. E-RUPI signifies how 21st century India is moving ahead with the help of modern technology and connecting technology with people's lives. India has the ability to provide leadership in terms of innovations and the use of technology in service delivery. IBSA has emerged as an effective grouping of like-minded democracies and they have the ability to explore the potential use of digital services for cooperation as the use of digital services for social inclusion of even the poorest section of the societies can be the game changer and boost P2P mechanisms.

There is also an urgent need to collaborate on various Forums of Academia, Think-tanks, Civil Society, Women, etc. to initiate measure to tackle common issues. IBSA countries should strengthen the relationship among themselves to achieve gender equality and the empowerment of all women and girls and the effective implementation of the Beijing Declaration and Platform for Action (BDFA) and gender-responsive SDGs and various outcomes and follow-ups of all the major UN conferences and summits pertaining to gender equality. As the achievement of SDGs is not possible

if half of the population of women and girls continues to be denied their fundamental rights and opportunities in every field, considering the vital role played by them as agents of development in their respective countries. The recently concluded IBSA Women's Ministerial Forum 2021, in their Declaration reaffirmed their commitment to work together through an IBSA think-tank on women's development and for their empowerment by sharing best practices and strengthening cooperation for conducting women-centric research for ensuring gender equality.

The Women Ministerial Forum 2021 discussed the issues that have contributed in transforming the lives of women. Mentioned are the initiatives, policies, and best practises that countries have implemented for a gender-inclusive economy in order to transform and eliminate gender-based discrimination and violence against women. As gender-based violence has been a significant challenge for all the three IBSA countries during the pandemic. This in turn would help in understanding each member country's systems, policies and programmes for women empowerment. Based on the understanding, they would be able to create a strategic roadmap to promote the gender equality agenda to achieve the SDGs. There was also an emphasis on the need to raise meaningful voice in various multilateral fora to highlight the development priorities of the IBSA member countries and the forum stressed on presenting gender equality from an economic perspective.

Given the diverse background, IBSA shares many remarkable similarities and faces complex challenges in terms of poverty, access to health care, traditional medicines, quality education, entrepreneurship, inequality, gender equality, unemployment and under employment, malnutrition, and exclusion of the majority from the benefits of social and economic development. Gradually, all the IBSA member countries are striving hard and initiating

various similar innovative policy measures in tackling the issues of social and economic development along with their commitment to achieve SDGs by 2030.

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6

IBSA Fund: Reflections and New Vision

Introduction

The emergence of the new international economic order in the post-WW-II years saw a steady increase in the developmental partnerships between developing countries under the rubric of South-South cooperation. Borne by the need to share capacities, experience and knowledge amongst developing countries for fostering development, the Southern Solidarity among developing countries, the rise of Southern Solidarity saw several notable initiatives including the adoption of the Buenos Aires Plan of Action (BAPA) on September 18, 1978, which for the first time, established the framework and schemes of collaboration among least developed countries of the global south (United Nations, 2019). The India, Brazil, and South Africa (IBSA) Trust Fund, a facility for hunger and poverty alleviation, is one such model of south-south cooperation that seeks to leverage the complementarities among the three emerging economies of the global south to advance development cooperation in various developing and least-developing countries of

Global South.¹ Since its inception in 2004, the IBSA Trust fund has been a key pillar of the tripartite dialogue forum of IBSA countries. The seventeen-year long journey of the fund has been remarkable in terms of providing a much-needed rationale and vision for the IBSA partnership and making an impactful contribution to fulfilling development priorities in various partnering countries. Over time, the fund (*hereafter*) has come to represent a model of cooperation that truly reinforces the 'development' narrative and to advance multilateral solutions for achieving SDGs.

The core focus of the fund i.e. on facilitating poverty and hunger alleviation has been vital given the ever-widening economic gap between developed and developing countries. The weak indicators of development in many least developed countries and their incessant struggle to meet the basic developmental needs necessitate that the international efforts must be effectively leveraged towards building socio-economic capacities and to foster economic transformation in these societies. The need

to propel them into the global economic mainstream is critical for building an equitable international order and to address their limited presence in global trade networks. The ongoing COVID-19 pandemic, however, has once again accentuated the trend of global inequity and put immense pressure on healthcare services across the globe. Amidst the growing trust deficit between the developed and developing bloc, the assistance provided by the IBSA Fund towards the delivery of healthcare capacity augmentation, and building clinics, hospitals, etc. have been immensely valuable.

The demand-driven nature of the projects under the IBSA Fund is crucial which ensures much-needed flexibility in selecting projects that can be replicated and scaled up efficiently within the given context.² Over time, the development cooperation paradigm has come to strongly recognize the significance of local specificities, contextual factors, and ecosystem considerations in devising community and region-level projects. In recognition of the 'contextual' dynamics in the localization of development and SDGs, the projects supported under IBSA Fund have been relatively successful in delivering solutions according to the local priorities and traditions of partner countries (UNOSSC, 2021a). At the same time, there is much scope to fully optimise the potential of the IBSA Trust Fund and to address issues relating to the efficient delivery of the projects.

The IBSA Fund's journey over the past seventeen years offers an important opportunity to reflect on its evolution and to present a critical appraisal of its achievements and issues for future management. In this chapter, we critically examine the implementation of the IBSA Fund, assess its key contributions, and chart out a new vision for its future. The chapter is broadly divided into four parts. In the second section, we reflect on the IBSA Fund's activities since its operationalisation and delineate its modalities and governance structure. In the third section, we assess the contribution of IBSA

Fund activities from the lens of SDGs and assess the local value addition from various projects. Drawing upon this discussion, the fourth section outlines the emergent priorities for the IBSA Fund in the light of the post-COVID phase of recovery and lay out some of the ideas for more effective and efficient governance of the IBSA Fund.

Reinforcing the Southern 'Development' Narrative

Currently, at seventeen, the IBSA Fund has successfully defined the developmental narrative which stands for multilateralism and inclusive growth. Following its announcement at the 58th Session of the UN General Assembly in September 2003, the IBSA Fund was formally established with the United Nation's Development Programme (UNDP) in 2004. With shared historical memories of anti-colonial struggles and commitment to democratic ideals of development, the IBSA trilateral shares the concerns of the developing world and embodies the spirit of equality and solidarity in forging 'development partnerships' under the IBSA Fund with fellow developing countries. Since the success of its first project in Guinea-Bissau on agriculture and livestock development, the IBSA Fund has come to build a repertoire of projects attempting to provide solutions to complex problems in a *frugal yet sustainable and efficient* manner. In turn, the fund has also enabled the transfer of vital policy knowledge, learnings, and experiences of IBSA members to fight the problems of hunger and poverty to some of the partnering LDCs (RIS, 2016).

Over the years, the fund has made remarkable progress on advancing Southern solutions to the needs of developing countries while also enabling the IBSA countries to streamline and consolidate their development cooperation efforts in the Global South. In this sense, the fund has been a valuable addition to the South-South paradigm that is continuing to grow for the past five decades (Vieira, 2013).

Administered in partnership with the United Nations Development Programme (UNDP), a UN body responsible for driving sustainable development agenda, the IBSA Fund has so far drawn upon the advisory, consultancy, and project management expertise of the UN system. The UN Office for South-South Cooperation (UNOSSC), a specialised entity within the UNDP has been entrusted with the management of the fund and acts as its official secretariat. The IBSA countries annually contribute about US\$ 1 million towards the fund amounting to about three million US dollars every year and the highly dynamic and engaged board of directors from three countries is entrusted with the Fund's overarching governance.

Table 1: Key Highlights of the IBSA Fund

Total projects	35 (23 completed, 8 ongoing, 4 under preparation for implementation)
Partnerships	31 South-South led partnerships for innovative solutions
Countries	20 partner countries covered, most of the least developed
Development Focus	All 17 SDGs advanced
Leadership	3 Southern leaders in South-South cooperation

Source: UNOSSC, 2021

Table 2: Total Revenue and Delivery, 2004–2020

Revenue	\$43.61 million
Allocation	\$39.43 million
Delivery	\$32.94 million

Source: UNOSSC, 2021

Although the IBSA Fund's core idea is to identify *smaller* projects focused on hunger and poverty alleviation, the fund's activities have over time come to encompass all the 17 SDGs. The projects approved under the fund fall under four broad areas namely, agriculture, employment, health, and water. The progress in these areas can significantly aid the elimination of hunger, generate employment, and achieve progress on SDGs. Moreover, its adherence to foundational principles of local ownership, non-conditionality, and non-interference as enshrined in the framework of South-South Cooperation have helped to build effective and lasting development partnerships. The demand-driven pathway of IBSA Fund projects has worked well over the years as project proposals are conceived by partner countries according to their perceived needs and priorities rather than being advocated by the IBSA Fund secretariat or member states. The national ownership thus not only helps to address any perceived bottlenecks in the implementation of the projects but also ensures that projects are implemented efficiently and contributes to the long-term building of capacities.

As opposed to practices of many international donor agencies, the IBSA Fund projects has stood in sharp contrast to many traditional development donors which often impose onerous conditions on recipient countries. This way, the projects implemented under the IBSA Fund have enabled wider adaptation and scaling-up through multi-stakeholder partnerships and collaborations. This is further consolidated through a strong emphasis on wider stakeholder engagement via dialogue, and partnership with local institutions, civil society, and partnering institutions, etc. The UNOSSC's active focus and mandate in this domain have ensured that IBSA projects better understand and deliver the developmental needs of partner countries and offer relevant solutions. Furthermore, the consensus and evidence-based governance of the IBSA Fund

has helped to build in required transparency and due diligence in the execution of projects. The involvement of UN Resident coordinators too has been instrumental towards identifying qualified agencies and to implement the projects effectively.

Delivering 'Public Goods' & Development

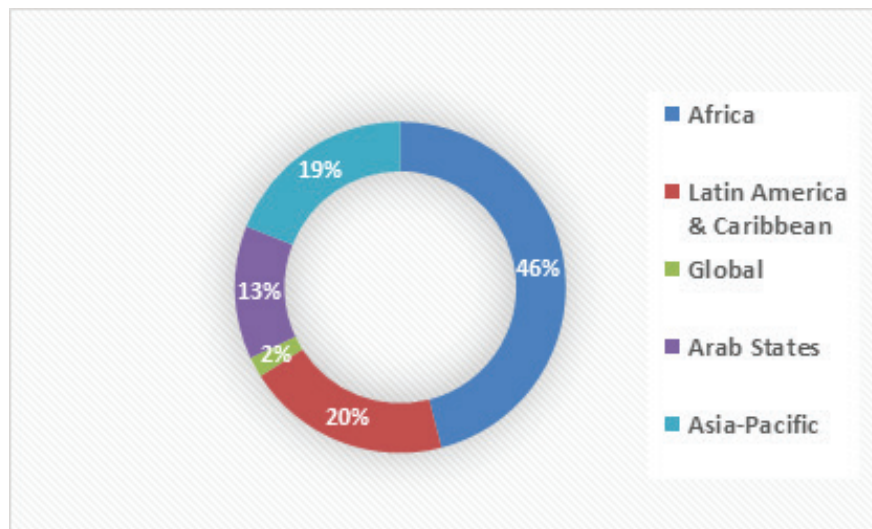
The IBSA Fund's core focus on hunger and poverty alleviation was conceived in the wake of the international community's pledge, at the turn of a new century, to work towards attaining the millennium development goals (MDGs) including the eradication of extreme poverty and hunger, achieving universal education, promoting gender equality, reducing child mortality, combating communicable diseases, etc. Over the past decade and a half, IBSA Fund has supported a total of 35 development projects in 31 countries at the allocation of \$39.43 million (UNOSSC, 2021b). Out of 35 projects, IBSA Fund has successfully completed 23 projects as of 2020 and 8 projects are currently underway while 4 projects are being prepared for implementation in various developing, least developed countries and small island developing states (Ibid). The

central focus on these small or medium-size countries is significant given the socio-economic distress prevalent in these countries and IBSA's commitment to building an inclusive global order in which no country is 'left behind'. In this regard, the IBSA Fund's assistance is spread over diverse sectors. The portfolio of IBSA Funded projects includes areas such as agriculture, healthcare, education, human development, climate change, technology, governance and administration, among others. In this section, we present a thematic overview of the impact of projects delivered under the IBSA Fund in various partner countries and their contribution in advancing various national priorities including the SDGs.

Poverty and Hunger Alleviation

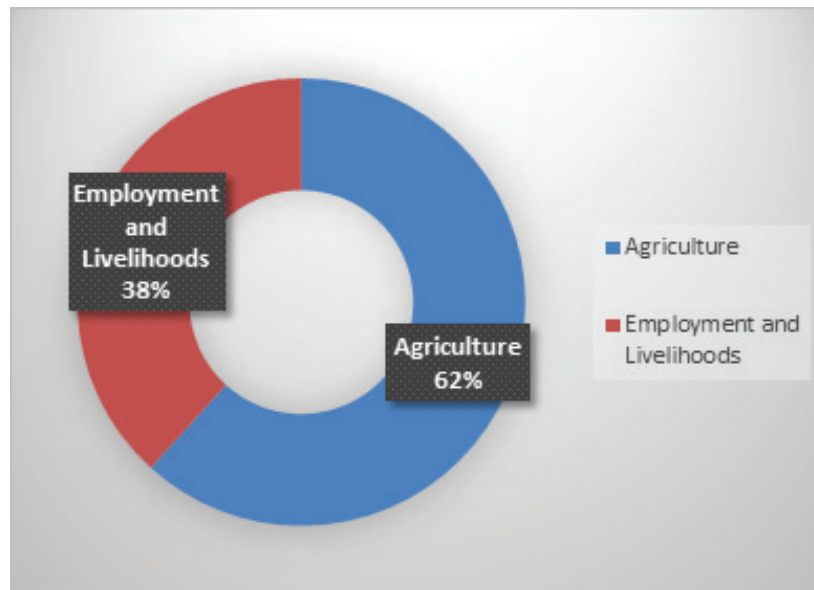
The IBSA Fund's modest yet impactful efforts towards delivering improved livelihoods especially in countries suffering from chronic persistence of poverty and hunger cannot be overstated. A large portion of the IBSA Fund is traditionally devoted to supporting agriculture projects given its strong interlinkages with other indicators of development including poverty, nutrition, and social well-being. In countries like

Figure 1: Budget Allocations by Region, 2004–2020



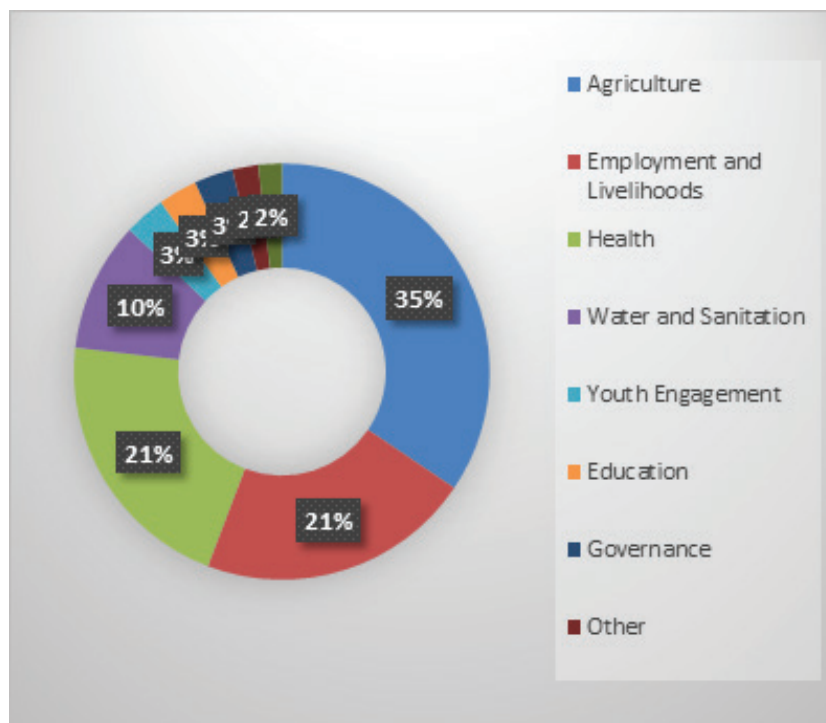
Source: IBSA Fund Annual Report 2020

Figure 2: Budget Allocations, by Development Classification of the Countries, 2004–2019



Source: IBSA Fund Annual Report 2020

Figure 3: By Thematic Area



Source: IBSA Fund Annual Report 2020

Comoros and Timor-Leste, the IBSA Funded projects on enhanced seed production have helped over 4000 farmers while in Vietnam over 1100 farmers were trained at a pilot school farm in conservation agriculture projects leading to enhanced yield and sustainability of the crop production (UNOSSC, 2014). Improved nutrition being a key to fighting hunger and poverty, the IBSA Fund has implemented projects related to crop diversification in African partner countries. Furthermore, the transfer of improved livestock breeds, animal vaccination, and related training activities too has led to enhancing the diets of over 13100 women and farmers in the countries of Guinea-Bissau and Saint Lucia. The agriculture projects additionally devoted efforts to women empowerment and their training and capacity building. A collaborative project with Guinea-Bissau's Ministry of Agriculture has specially trained women in sustainable rice cultivation along with grafting and conservation techniques (UNOSSC, 2011a). In Zambia too, the ongoing project trained over 2,000 farmers in water management, pest-control, and related activities significantly improved the yield of soyabeans. The reported agriculture and productivity benefits for the local population and women increased the economic well-being of the local population and, in turn, contributed to poverty reduction efforts. As a consequence, the IBSA Fund has laid a strong emphasis on enhancing agro-productivity towards reducing hunger and extreme poverty. In recent times, the growing climatic variations are posing a serious challenge for agriculture sustainability, especially for small landholders. The consequent need to employ sustainable agriculture techniques and sensitive management of watershed resources including forests and rivers has demanded greater policy attention. Under the IBSA Fund, a unique community-level project was supported in the Lao People's Democratic Republic for community-driven management of forests and rivers alongside the use of efficient irrigated agriculture techniques (UNOSSC, 2011b).

Besides fostering community participation, the initiative has also led to building technical and governance capacities in the agro-forest-fisheries sectors of these countries. The cross-sectoral focus of this project has thus proved to be of immense value to build synergies and generate positive externalities for both governance and the environment.

Good Health & Well-Being & Reduced inequalities

The IBSA Fund has traditionally prioritised the third UN SDG, namely 'good health and well-being, which is crucial for ensuring healthier and sustainable life on the planet. Accounting to about 27 percent of IBSA's total budget, the priority on healthcare has been vital especially in the light of the ongoing COVID-19 pandemic which has underlined the need for building resilient healthcare systems. Some of the most effective healthcare projects under the IBSA Fund include the building a centre for HIV/AIDS prevention in Burundi (UNOSSC, 2015). The three-storey health centre built and equipped with advance medical equipment and IT support is providing HIV/AIDS prevention, testing and treatment and other reproductive health-care services that benefits estimated 15,000 patients annually. In Cabo-Verde, the rehabilitation and renovation of two health-care centres in the remote island of São Nicolau are providing healthcare access to its 450 inhabitants including women, children, pregnant women and elderly people (UNOSSC, 2016). Similarly, in Palestine, the rehabilitation of the physical infrastructure and upgraded medical capacities of the nine-storey Cultural and Hospital Centre for the Palestinian Red Crescent Society (PRCS) has improved access to health-care services, while the reconstruction of Atta Habib Medical Centre in the eastern Gaza City provides health-care services to around 30,000 patients annually. In Vietnam, the training of over 300 health professionals in remote villages in digital resources has improved the last-mile delivery of medical

services and the successful scaling-up of this facility in other parts of the country was helpful in fighting the COVID-19 pandemic (UNOSSC, 2018). Towards fulfilling the unmet needs of the children with developmental disabilities, a unique project in Cambodia has provided about 2,000 children the special education and physiotherapy and trained six physicians and eleven paramedics. Similarly, a project in the Nablus in the West Bank of Palestine has set up a facility that treats people with mental and cognitive disabilities (UNOSSC, 2018). The project is imparting skills among local people and enabling them to deal with mental health issues such as stress and depression. In supporting the healthcare projects, the IBSA Fund has thus rightly expended its resources towards providing access and fostering inclusion while also making a vital contribution in the domain of disability policies and strategies. This way, the future IBSA healthcare projects could make a vital contribution by breaking the vicious cycle of extreme poverty and poor indicators of public health.

Gender Equality & Education

Under the gender equality and education, the IBSA Fund has mainly focussed on women education and empowerment. Projects in this domain have proved to be immensely valuable in advancing both the national development priorities and SDG 4&5. A project in Guinea-Bissau has trained more than one thousand adults mostly women to make them functionally literate. A somewhat similar project in Fiji saw as many as 1500 women being empowered to produce efficient cook stoves that contributed to healthier livelihoods and environmental protection. The ongoing work to scale-up the rocket stove project has contributed to improving the livelihoods and health of women in rural areas of Fiji and to rein in growing deforestation through reduced demand for firewood.³ The focus on gender equality led the IBSA Fund to support a project on the elimination of child marriages in Malawi and

Zambia to build a more equal society. As part of its commitment to ending child marriages, the project aims to reposition the female victims of child marriages and provide scholarships to re-enter the schools.⁴ The regional spillovers of the movement against child marriages are significant and, critical to mitigate the challenge of unsafe motherhood, poor nutrition, maternal mortality, etc.

Clean Water, Sanitation, and Energy

IBSA Fund has, inter-alia, supported the construction of a plant for the desalination of sea-water and its transportation to the communities that lessened the risks associated with the intake of poor-quality water. The project has increased the year-round supply of safe drinking water for about 12,000 inhabitants of Sao Nicolau Island. Similarly, a clean energy project in 20 villages of Guinea-Bissau provided local people with access to solar energy and scaled-up the solar energy component of a previous IBSA Fund project. The project benefitted over 20,000 community members by electrifying homes, schools, community centres, streetlights, and water pumps with solar power.⁵ The access to affordable and clean energy makes this project vital to advancing SDG7 and making clean energy a leading source of energy consumption. In Bolivia too, an ongoing project involving the construction of water-wells has addressed the challenge of water access for thirty-eight rancher and farming communities to a large extent. The access to clean water for daily use, and to raise cattle herds in urban and rural communities is reported to have a significant impact on improving livelihoods through enhanced livestock production, and food security.⁶ Moreover the project has contributed to improving the resilience of local communities, especially against droughts, which have become a recurring phenomenon in recent times.

Decent Work & Economic Growth

Under IBSA Fund work, over 8,100 young people (58 percent female) from 25 provinces

have improved their employability through volunteering while in Haiti around 440 youths with vocations training were able to secure job. In Cambodia, an ongoing project on development of transferrable skills and preparing the youth of all genders for social entrepreneurship has benefitted over 4,000 youth including a large number of women in the country. With necessary skills, knowledge about entrepreneurial ecosystem, and networking, the project has enhanced the prospects of the decent work opportunities and creating socially responsible entrepreneurs. In Kiribati, an inclusive, sustainable, economic development project helped to develop a National Coconut-sector Development Strategy to improve the livelihoods of smallholders. In Sudan, the project created employment opportunities by supporting the placement of youth workers in enterprises in road maintenance, waste management, and auto-mechanical, electrical, or other vocational activities.⁷

Industry and infrastructure & Sustainable Cities

The industry development efforts under IBSA Fund have mostly focussed on agro-and-process industries. In Zambia, the IBSA Fund project has supported the creation of soyabean processing plant with a capacity of 20-50 tons per day to process raw soya beans into oil and by-products that include soya cake. The improvement of soyabean value-chain is seen as critical in Zambia's efforts to achieve poverty reduction and food security in rural areas. In Sierra Leone, a project for creating national infrastructure for financial inclusion has led to the creation of pilot digital financial-service for MSMEs and local people. The project has led to creation of capability in financial technology sector and strengthened institutional set-up for regulation of digital financial services. With the informal sector contributing to about 53 percent of Sierra Leone's GDP, the Fin-tech investment has led to the development of government and private-led digital economy services.

The project also saw useful regional learning network and cooperation between the Bank of Sierra Leone and Kenya's national bank which has successfully scaled-up digital technology services.⁸

Responsible Consumption, Production and Climate Action

The projects in this vertical have provided over 350000 residents with access to better solid waste infrastructure in Guyana. IBSA has strengthened climate adaptation and protection of the environment having enabled anti-erosion measures by training 300 farmers in watershed management and rehabilitation of 3000 hectares of lowlands in Guinea-Bissau. In Vietnam, the project has contributed to enhancing agricultural yields and strengthened rice cultivation through use of new rice-seed varieties and organic fertilizers substituting chemical fertilizers. In Timor-Leste, the project promoted the adoption of sustainable production techniques and the intensification and diversification of smallholder farming and fishing systems. Over 1,600 smallholder farmers and fisherfolk adopted conservation agriculture, permaculture, and sustainable co-fisheries management techniques.⁹

Peace, Justice and Strong Institutions

A project in Sierra Leone focussed on building the capacities of the presidential cabinet and 5 percent of the ministerial staff was trained on good governance practices in Sierra Leone and violence was reduced with reclassification from a security red zone to a yellow zone to a waste management activity in Haiti. It contributed to strengthening the capacity of its key State institutions which will revamp the macroeconomic policies for better governance. 3.8 per cent for governance and security. In Grenada, a unique project is focussed on building strong institutional capacity in health sector through development of establishing a secretariat for National health insurance scheme and capacity building for its human

Table 3: Development Impact of the IBSA Fund across the World

Country	Development Impact
Bolivia (Plurinational State of)	<ul style="list-style-type: none"> 38 indigenous communities increased their access to water for human consumption, livestock and irrigation
Burundi	<ul style="list-style-type: none"> 39,000 yearly reproductive- health consultations enabled
Cabo Verde	<ul style="list-style-type: none"> 12,000 residents provided with access to safe drinking water 450 people from remote communities improved their access to healthcare services
Cambodia	<ul style="list-style-type: none"> Over 8,100 Young People (58 percent female) from 25 provinces increased their skills in community-based entrepreneurship development 2,000 children with special needs gained improved access to healthcare services
Comoros	<ul style="list-style-type: none"> 1,140 farmers enhanced the sustainability and productivity of their agricultural activities
Fiji	<ul style="list-style-type: none"> 1,530 Women increased skills as they fabricated and distributed 1,580 energy-efficient rocket stoves to communities (<i>Ongoing Project</i>)
Grenada	<ul style="list-style-type: none"> National health insurance programme established to provide universal health coverage
Guinea-Bissau	<ul style="list-style-type: none"> 6,000 animals and poultry were vaccinated and treated 20,000 community members benefited from solar energy
Guyana	<ul style="list-style-type: none"> 350,000 residents gained access to better solid-waste- management infrastructure and practices
Haiti	<ul style="list-style-type: none"> 400 livelihoods supported in waste-management activities 440 youths trained in vocational activities secured jobs
Kiribati	<ul style="list-style-type: none"> National Coconut-sector Development Strategy in place to improve livelihoods of smallholder coconut farmers Established virgin coconut oil processing plant benefiting farmers on a remote outer island (<i>Ongoing Project</i>)
Lao People's Democratic Republic	<ul style="list-style-type: none"> 630 hectares of agricultural land have regular irrigation facility
Saint Lucia	<ul style="list-style-type: none"> 150 sheep and goat farmers improved their livelihoods while enhancing local diets
Sierra Leone	<ul style="list-style-type: none"> The staff of the Presidential Cabinet and ministries increased knowledge and capacity to deliver public services Piloting of digital loans (emergency COVID-19 credit product) reached 15,000 customers (<i>Ongoing Project</i>) Bank of Sierra Leone released Know Your-Client (KYC) guidelines to deepen financial inclusion by simplifying the procedure for opening a bank account (<i>Ongoing Project</i>)
State of Palestine	<ul style="list-style-type: none"> 6,600 youths gained access to sports facilities built and equipped by the project 2 hospitals and a medical centre built or refurbished 10,000 individuals with disabilities use the service centre annually 30,000 patients from Gaza Strip receive continuous health-care services

Table 3 continued...

Table 3 continued...

Sudan	<ul style="list-style-type: none"> • 3,000 underprivileged youths increased their skills to secure employment
Timor-Leste	<ul style="list-style-type: none"> • 1,600 smallholder farmers adopted new and resilient agricultural techniques
Viet Nam	<ul style="list-style-type: none"> • 12 percent increase in rice productivity at project sites, with a significant reduction in production costs • eLearning platform, successful in reaching healthcare workers in remote-site medical settings, is now being used to train frontline workers for COVID-19
Zambia	<ul style="list-style-type: none"> • 858 Farmers supported soyabean production with technical assistance and agricultural inputs

Source: IBSA Fund Annual Report 2020

resources. As part of reforming the health sector through legislative and other changes and strengthen Southern leaning exchanges, over 600 members of NHI gained vital knowledge about health insurance systems towards providing affordable and accessible healthcare for vulnerable and marginalized populations in Grenada.¹⁰

Tourism

Lastly, in view of the vast untapped potential of the least-developed countries in promoting Tourism, the IBSA Fund is also supporting the development of Tourism sector including the development of necessary infrastructure and services that will contribute to generating employment and achieve poverty reduction. Tourism being an important source of revenue in many counties, proposals related to this sector need to be given strong emphasis under IBSA Fund. Such projects can among other contribute to capacity building, promoting regional and international tourism and contribute to growth and development in many LDCs.

Conclusion

Towards a New Vision for IBSA Fund

The contributions of the IBSA Fund towards advancing various SDGs, as delineated above, show reasonable success in terms of aiding the fellow developing countries in fulfilling their national priorities. The fund has undoubtedly proven its value in advancing SDGs and

leveraging the synergies among the three emerging economies towards building capacities, institutions, and improving livelihoods in partner countries. Notwithstanding the modest annual contribution of US\$3 million, the fund represents a significant achievement for the tripartite conclave. The IBSA Fund's focus on enhancing resilience against a host of societal and environmental challenges is also of great essence. In recent times, the growing uncertainty surrounding climate change, the ongoing pandemic, and the fragility of the global value chains are having disproportionate impacts on many Southern countries. The post-COVID context of economic recovery, however, is particularly challenging given that the pandemic has resulted in the reversal of progress on key issues like poverty reduction where IBSA Fund has made a concerted effort.

Amidst the global socio-economic setback caused by the COVID-19 pandemic, there is a strong need to foster inclusive recovery and to help the LDCs overcome the adverse effects of pandemic including rising COVID cases, mortality, unemployment and economic insecurity. The growing inwardness embraced by rich countries during the COVID-19 outbreak has yet again underlined the need for reinforcing the South-South and triangular cooperation to address the rising socio-economic inequities induced by the pandemic. Upholding the spirit of solidarity and cooperation, the IBSA countries including India has been at the

forefront of providing aid, and assistance to their Southern partners, who lack adequate response capacities to face situations like the pandemic. In the light of such immediate priorities, the IBSA Fund can make targeted interventions towards overcoming the COVID-19-related requirements such as healthcare goods and services. This is because restarting the economy would require an effective 'COVID-19 exit strategy' which would not be possible without international cooperation and partnerships (Woods and Batniji, 2020).

Furthermore, the outcome documents of the BAPA+40 Conference held in 2019 offers a valuable guidance for strengthening southern and triangular cooperation initiatives for achieving SDGs in the Global South. Accordingly, the IBSA Fund can undertake wider outreach to countries that are worst-affected by the pandemic and work on innovative resource mobilisation strategies which would not only lend greater traction to the South-South and triangular partnerships but also strengthen their resilience against similar crises in the future. An effective component of this new vision is to adopt innovative financing models for the IBSA Fund. While the demand-driven programmes under the IBSA Fund are likely to continue in the future, it is imperative that fund managers put a strong emphasis on enhancing the quality of results across project portfolios and improving the visibility of the development impact of these projects across the SDGs. This would also, among other things, involve building linkages and collaboration with research institutions and think-tanks to promote evidence-based research on IBSA Fund activities.

Expertise for SDGs & Dual Project Ownerships

In recent times, a spate of disruptions in the international systems ranging from systemic financial crises to the ongoing COVID-19 pandemic has tested the resilience of countries around the world. Faced with health and

climate challenges, the imperative to foster localised development and sustainability has assumed immense significance. Amidst such difficult times, the IBSA Fund needs to consider the local development objectives and establish engagement with local communities and civil society members. The bottom-up approach would, however, require building expertise to facilitate local level progress, while ensuring the outcomes to be safe, resilient and sustainable. The fund's own experiences and insights in several key sectors would also prove beneficial to enhance the knowledge base of less-developed nations and enable their institutions to promote and implement SDGs. The role of national development agencies of three IBSA countries assumes immense significance in this regard.

For instance, the development agencies of IBSA countries such as the Brazilian Cooperation Agency (ABC), Brazil, Development Partnership Administration (DPA), India and South African Development Partnership Agency (SADPA) can play a crucial role in jointly managing the Fund and its projects. One way the tripartite development agency model could be envisaged is through entering into collaborations with the UN agencies while retaining its independence to deliver localised solutions within SDG frameworks (RIS, 2016). A meaningful collaboration with external development agencies, private sectors and other donors is vital to provide more effective and coordinated support to the partner countries. Right from working on the conception of the projects to its implementation and handover, the trilateral special purpose vehicle could make the fund more effective in the recipient countries.

Such collaboration would be important to ensure that required goods and services can also be procured from IBSA countries, wherever necessary, rather than being sourced from international markets and to ensure mutual gain in true spirit. This would make the projects less vulnerable to the supply chain

disruptions and enhance the mutual gains from cooperation. Thus, the dual ownership of the projects - IBSA and partner countries - can also be more impactful and bring additional value addition for the Fund and its activities. Additionally, the learning experience for national agencies and local governments can be a driving factor for creating capacities and increasing investments for least developed countries. The dual ownership model can also have advantages bringing in required efficiency in implementation, participation from host governments, and promote solutions that are *frugal* yet innovative. Most importantly, the model would resonate the values of South-south cooperation premised on principles of equality, respect and benefits for all.

Casting a Wider Resource Net

Despite the modest annual contribution of about three million US dollars, the IBSA Fund has become a widely acclaimed model of partnership to meet the development priorities of partner countries. Given its tangible contributions and the acknowledgement of its work from recipient countries, there is a strong case for casting a wider resource net to increase the size of the fund. First, given the success of the Fund's activities, it is only propitious that IBSA members consider increasing their annual contributions to the Fund. Second, the UNOSSC's strategic guidance on resource mobilization strategies and innovative financing mechanisms can be of essence for the IBSA Fund. Such expansion would not only make a bigger impact on promoting SDGs but also convey a strong sense of responsibility to the comity of nations about its collective responsibility to build an international system that promotes values of access, equity and inclusion (AEI) (RIS, 2015). It has already been recommended that the IBSA Fund builds synergies with other instruments like the African Union Development Agency-NEPAD (New Partnership for Africa's Development) which is working towards similar goals

and objectives (RIS, 2016). The triangular cooperation also offers another area that IBSA members can explore to achieve SDGs. Such working alliances would allow the IBSA Fund to gain wider visibility and recognition for a wide repertoire of activities around the world. The cross-agency learning and exchanges would also enable better spending of IBSA resources and ensure better payoffs.

Learning, Monitoring and Evaluation

The IBSA Fund's focus on a broad range of objectives across a large number of countries makes it imperative to undertake thorough monitoring and evaluation, evidence collection and learning at various stages of project conception, and implementation. At the stage of project conception, it would be worthwhile to understand the political economy and sectoral context of the development of the host country along with an overview of the regional security situation. Projects conceived with such broad understanding naturally stands to guarantee better execution and solutions. Second, it is critical to codify learning and inform operational decisions regarding the projects. Accordingly, the IBSA Fund can evolve a framework for learning from evidence available and recommendations. A robust sectoral diagnosis is helpful towards making right financing decisions and adopting a well-informed implementation strategy. Along with codifying evidence and learning, the IBSA Fund activities must be also guided by existing lessons and experiences from development cooperation. The emphasis on local-specifics and traditional knowledge has already been recognised in the development cooperation literature. It is thus essential that IBSA Fund projects entail effective monitoring, evaluation and learning. It is also important that lessons learnt from the individual project are shared across other trust funds and their implementing bodies. This could prove to be a useful body of knowledge critical to localised development and various targets under the SDGs.

Endnote

- ¹ See, IBSA Forum web. Retrieved from https://www.ibsa-trilateral.org/ibsa_fund.html and “India, Brazil and South Africa (IBSA) Facility” at United Nations Office on South-South Cooperation. Retrieved from <https://www.unsouthsouth.org/partner-with-us/ibsa/>.
- ² See, “About IBSA Trust Fund”, *United Nations Office for South-South Cooperation*. Retrieved from <https://www.unsouthsouth.org/partner-with-us/ibsa/>.
- ³ IBSA Fund Report 2019, Empowering Rural Women: Scaling Up the Rocket Stove Project, Retrieved from <https://www.unsouthsouth.org/wp-content/uploads/2021/03/IBSA-Fund-Annual-Report-2019.pdf>
- ⁴ Ibid, see *Eliminating Child Marriages in Malawi and Zambia*.
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- ⁶ Ibid, See, *Bolivia - Increased Access to Water, Improved Livestock Production and Post-drought Food Security*.
- ⁷ IBSA Fund Report 2019, “Cambodia - Empowering Children and Adolescents with Special Needs”; “KIRIBATI Inclusive Sustainable Economic Development through Coconut-sector Development”, and “SUDAN Creation of Job Opportunities for Youth in Sudan through Labour-intensive Work Opportunities”. Retrieved from <https://www.unsouthsouth.org/wp-content/uploads/2021/03/IBSA-Fund-Annual-Report-2019.pdf>.
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Eminent Voices

7

IBSA's Uniqueness and Role vis-à-vis BRICS

Seshadri Chari*

Rationale for IBSA within the Realities of BRICS

The IBSA (India-Brazil-South Africa) grouping is poised to emerge as one of the main pillars of the new world order. The three countries - with a democratic framework, emerging economies and shared interest in global peace, as well as prosperity and progress - are best suited to play a leading role in the emerging new world order. The capabilities and the important role that the Global South has played and can continue to play in the future has to be understood and appreciated in the present context. It is true that the global economy has been strengthened, literally brick by brick, by institutions like the BRICS; but the role of IBSA cannot be overlooked. The end of the World War II heralded a new phase of economic and geopolitical realignment resulting in a complex socio-economic shift amidst the Cold War realities. While the technical and

economic cooperation between the countries in the Global North took an ascending trajectory, the Global South increasingly felt the need for realignment, especially in the areas of technology, agriculture, health care, education and manufacturing.

The Buenos Aires Plan adopted by 138 members of the United Nations (UN) on 18 September 1978, laid the foundation of one of the most profound and revolutionary frameworks for South-South Cooperation.¹ The traditional way of looking at socio-economic development underwent a drastic change and new paradigms like 'emerging economies' have developed over the years blurring the divisions between developed and underdeveloped countries and North-South divide. More importantly, the world realised the need for shifting from conflict fuelled economy to a sustainable growth model that emphasises on collective participation and developmental cooperation. It is here that

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IBSA's progress as a role model for facing the challenges before the global community while grappling with the emerging new world order, assumes significance. There is sufficient scope to analyse the contours of this progress with special reference to the trilateral, transnational and multilateral alliances which has strengthened capacity building and economic fundamentals through collective growth and international participation without compromising with respective sovereign autonomy.

Even as the BRICS countries received attention and raised hopes of making significant contribution to global economics especially after the 2008-09 economic meltdown, it is the IBSA countries that devoted much of their energies to revive economic growth within the global democratic framework. It is in this context that the independence of IBSA assumes greater relevance. The growth trajectory of IBSA is different from that of the BRICS mainly due to the challenges these three countries face while they formulated an inclusive open economy while keeping anchored in democracy. While authoritarian dispensations controlled by a single political outfit, however old historically, have greater freedom and lesser accountability towards local groups and global institutions, the IBSA countries have to discharge much greater responsibility towards its population which elects these governments.

The aggressive economic policies and programmes that China began to unveil after the inclusion of South Africa in the BRIC platform (making it BRICS) were expected to pose a challenge to the geopolitical regrouping in the region and elsewhere. The bilateral trade between India and South Africa suffered a marginal setback but stabilised after a couple of years. In spite of the commitment to multilateral trade policies as envisaged by the BRICS charter, the Belt and Road Initiative (BRI) rolled out as the flagship programme of China since 2014 made deep inroads into the economies of

IBSA countries. But soon the intra-IBSA trade found its pace and could match the gains made by economies that became part of the BRI and BRICS trade block.

In continuance of its aggressive trade policies, China established contacts with Angola and Zimbabwe and upgraded its relations with South Africa to a strategic partnership. With the inclusion of South Africa, the BRICS became a much stronger forum for China to carry out its exclusive trade pacts with countries in Africa. In such circumstances, it becomes all the more important for the IBSA partners to insulate their economies from being overwhelmed by one strong economy much to the detriment of multilateral trade and cooperative framework.

Similarity of Economic Development among IBSA Members

A cursory look at the IBSA trade and developmental cooperation will throw light on the existing cooperative framework as well as the potential IBSA has to fuel the post-pandemic global economy. The 2006 IBSA Summit witnessed the signing of the IBSA Action Plan on Trade Facilitation for Standards and Technical Regulations and Conformity Assessment. Close on the heels of this Action Plan, Trilateral Free Trade Agreements were established to facilitate regional cooperation and lay the foundation for both trade and services. A number of multilateral agreements have added a new dimension to the trade between IBSA members. It was important for the three member countries to streamline manufacturing and production norms to standardise the product and process methodologies. This was achieved by framing trade standardisation by the Trade and Investment Joint Working Group (IBSA-TIJWG). India's Bureau of Indian standards (BIS) worked closely with agencies like the South African Bureau of Standards (SABS) and the Brazilian Association of Technical Norms (ABNT). In addition to these institutional

framework agreements, private industry in these three countries formed federations of IBSA business forums and chambers of commerce to facilitate better understanding of the market and seamless movement of capital and goods.

For instance, recently amid the pandemic, the National Small Industries Corporation Ltd (NSIC), Brazil's Micro and Small Business Support Service (SEBRAE), Department of Small Business Development (DSBD) and Small Enterprise Development Agency (SEDA), South Africa, together with India's Ministry of Micro, Small & Medium Enterprises held a virtual conference on ways to help SMEs in the three countries to collaborate and boost their exports, attract investments, as well as to address the trade and investment barriers hurting their growth prospects. They also aimed to mainstream MSMEs in their respective national entrepreneurial ecosystem, thereby promoting inclusivity and sustainable development through innovative models, as well as facilitating the integration of the IBSA MSMEs into global value chains and devising strategies to help them prepare for future global crises. More such knowledge-sharing and networking initiatives can help strengthen IBSA MSME and industry cooperation by leveraging their respective strengths and addressing weaknesses, and in turn, take them global.² As a result of these and other contributory factors, the intra-IBSA trade witnessed a healthy growth in the first decade of the century as it rose from USD 2.5 billion in 2003 to USD 21 billion nearly a decade since then.

IBSA Poised for a Global Role

IBSA was founded on the principle of cooperative economic engagement between democracies. It is, therefore, only one of its kind within the South-South Cooperation framework. The BRICS includes Russia and China which have a political system that does not fully fall within the ambit of multiparty

parliamentary democracy with special features of cooperative economic and political federalism incorporated in the governance system. This makes the process of cooperative economic structures operationally unviable and remains non-insulated from authoritarian central political command structure. Therefore IBSA, as differentiated from the BRICS, retains its uniqueness of representing three democracies which favours a free and inclusive world order ready to address the needs of developing countries and emerging economies without compromising with their strategic autonomy on the political and security aspects.

The dynamics of the post-pandemic socio-political-economic system is posing a challenge to the fundamentals of the present world order which requires a re-look. There is an intense contestation between the agenda of hegemonic grip over the world order on the one hand and the need to retain the basic free and inclusive parameters of working on the other. The power projection and trajectory are evident on both sides of the spectrum. The present international institutions and the financial order will have to pass the test of sustaining such a free and liberal outlook and at the same time come up to the expectations of emerging economies that need large infusions of investments, infrastructure development and easy but string-free credit. Tying up countries in a debt-trap or trading with their sovereignty for aid are both repugnant to the essence of democratic thinking, functioning, world view and development model as envisaged by IBSA. The world order is slowly but surely moving towards meaningful multilateralism which will define the future rules of engagement between countries to resolve all issues falling within the ambit of geo-politics, geo-security, geo-strategic and geo-economics. IBSA has all the fundamental qualities to rise to the occasion and fulfil the needs of the hour by strengthening the existing international partnerships and multilateral alliances.

The Way Forward for IBSA

The post-pandemic world is likely to be very different from the one that existed before the pandemic which brought the global economy to a grinding halt. While the economies are picking up slowly, the cascading effect of the intervention is likely to remain for a much longer time than expected. All the countries are in the process of recalibrating their respective growth targets and adjusting the local laws and systems to face the emerging challenges. IBSA as an institution is no exception to the affliction that every other country and institution faces.

IBSA has yet another challenge in the form of country-specific internal socio-economic impediments. The three democracies have to kick-start production and consumption even as they face the challenge of high imports and low per capita income. Inflation is yet another issue that the democracies face especially when it comes to frequent elections where parties become answerable to the voters. IBSA members need to insulate their policies and programmes of trilateral engagement from the vicissitudes of political vagaries.

IBSA members face very different challenges in their respective regions and have realised the need to exchange the lessons of regional balancing even while working on bilateral, trilateral and multilateral forums. What makes IBSA special and unique is its capability to work at all levels with ease and avoids duplication and conflict of interest. Taking forward such intent, the three countries have identified the need for closer cooperation on development-related issues, as well as on public administration and governance, and recently launched a web portal to develop a knowledge base for sharing their best practices and experiences in this regard.³ The political establishment in each country now needs to extend sufficient autonomy to their respective representatives who are guiding the IBSA Dialogue Forum and other trade and technology arrangements within IBSA. It will be in the best interest of IBSA to have a more

vibrant, easily approachable working set up closer to the three capitals. Similarly, each member can nominate a nodal agency from respective countries to coordinate the working of IBSA.

Communication, upgrading networks and rebuilding global value chains are going to be the immediate tasks before every economy. The pioneer gets the rewards in these activities. IBSA has to attend to the task of rebuilding global value chains and supporting them with technical inputs, ease of business regulations, as well as investment friendly business and taxation models. Besides, rules of investment and banking regulations could be integrated so as to resonate with the requirements of seamless flow of technology, funds and resources - both human and others - as also to increase cultural, educational, research and development interactions.

IBSA countries have a special mechanism to advance their common agenda and integrate it with their respective national and regional agenda. One aspect of this mechanism is the forum to coordinate and hold consultations on global issues that have a bearing on regional, institutional and national affairs such as geopolitical changes, UN reforms, UNSC resolutions and negotiations at global bodies. Another aspect is improving trilateral working through the sixteen working groups to further the common agenda of trade, production, sectoral meetings and commerce. The IBSA Fund needs to be evolved into a more permanent structure so as to bring more countries into its fold and reach out to a greater number of projects and destinations. At a time when developing economies are facing the detrimental consequences of economic initiative of one country and the resultant debt-trap, it is all the more important to tap into greater resources and developmental aid structures.

Another aspect that IBSA needs to consider is to increase coordination between regional institutions like the QUAD, IORA, AAGC,

BIMSTEC, etc. so as to widen the scope of its activities and also reach out to more people and places. In a couple of years from now, it will be two decades of IBSA's working since its formation in 2003. Its significant and unique contribution to further the agenda of South-South Cooperation is well recognised by now. The strategic location of IBSA members adds significant value to their activities and increases the scope of its operations and outreach. It is time for IBSA to consider experimenting with IBSA+ working group and include a few emerging democracies and invitees to their working group meetings. This will hasten the process of rebuilding the supply chain and global value chain mechanisms which are badly damaged now due to pandemic induced interventions. IBSA has a role, responsibility and duty towards ensuring a positive contribution to the betterment of transcontinental South-South Cooperation. Another important aspect that the IBSA partners need to take into consideration is the seminal role they can play

in the emerging architecture of the Indo-Pacific which seriously needs to factor in a trade block as well along with the other aspects such as connectivity and collective security. These are only some of the aspects that will go a long way to suggest the importance of keeping the IBSA framework as a united and collective unit of democracies dedicated to strengthen developmental partnership and lead the South-South Cooperation.

Endnotes

- ¹ See, Buenos Aires Plan of Action (1978), URL: <https://www.unsouthsouth.org/bapa40/documents/buenos-aires-plan-of-action/>.
- ² Secretary MSME underlines need for hand-holding support to MSMEs through capacity building trainings, exchange of best practices and technologies, URL: <https://pib.gov.in/PressReleasePage.aspx?PRID=1753058>
- ³ Derived from Trade with BRICS countries. See <https://pib.gov.in/newsite/PrintRelease.aspx?relid=67888>.

8

IBSA and the Challenges of the New Geopolitical Order

Vera Thorstensen*

Victor Vieira**

A New World Order

India, Brazil and South Africa are facing a new world order with many new challenges. IBSA was created as a Dialogue Forum in 2003 by the Brasilia Declaration, bringing together three large democracies and major economies. They present singular experiences of different developing countries, from three different continents. The main objective of IBSA, at that time, was to contribute to the construction of a new international architecture, bringing voices from the South to global issues. After almost 10 years since its creation, IBSA must be prepared to face emerging challenges. The world had survived severe pandemics and is still facing immense problems related to public health. The COVID-19 pandemic has disrupted economies and pushed millions of people into poverty.

At the international front, a new world order is unfolding. The confrontation of the two biggest military and economic powers is affecting the old equilibrium established under the US supremacy. China is now contesting for primacy not only on economic terms of production and trade but also in digital innovation and military technologies. Amid these developments, the EU has presented its main strategies – relaunching its activities based on green and digital economies under the new mantra of an “open strategic autonomy”, and designating itself as an independent third power. Russia is preparing its new role for its region. Many questions have been raised: Is the US abandoning its old allies? What will happen in the Middle East? What will be the future of Afghanistan and Iran? What is the meaning of the nuclear submarines accord AUKUS? How

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this will affect South Asia seas and the Pacific? Which will be the reaction of China? Who will be the strategic allies of South America, Africa and India in this new context?

This new geopolitics is repositioning countries at the trade arena. Trade flows are growing to 2019 levels. However, the logics of global chains are being transformed by diversification and regionalization of suppliers. A new wave of trade liberalization is transferred from the multilateral WTO arena to mega-agreements centered on the US, EU and China. At the WTO, with the paralysis of the Doha Round and the blockage of its dispute mechanism by the US, the organization is facing a huge crisis, waiting the unfolding of this new global order. Preferential agreements are being multiplied, all around the world, pressed by recent mega-agreements that are pumping new rules to the system, and replacing the legal order established by the WTO.

Around 450 such agreements notified to the WTO and enterprises. Geopolitics is paving the way for new mega-agreements. The US is being pressed to rebuild its trade policy, after burying its creation – TPP-12 (However, following the lead of Japan and Chile, it was reborn as TPP-11 or CPTPP). The US, in the last years, has re-launched NAFTA as USMCA. The EU is advancing its trade model around its new priorities: environment, corporate responsibility, carbon adjustment measures. China is part of another mega-agreement – RCEP that includes Japan, South Korea, Australia and ASEAN countries as members. RCEP is designing a new sort of framework for trade blocs, based only on the reduction of tariffs, soft rules of origin, trade facilitating schemes, and promoting global value chains.

India has a long list of PTA, but they are partial at scope and shallow for rules. Good initiatives can be shown for India PTAs with ASEAN, Japan and South Korea. However, India, at the last minute, decided not to join RCEP mainly due to differences with China.

Brazil is part of only a few agreements in South America, and partial ones with India and South Africa through Mercosur. Mercosur completed negotiations with the EU for a deep agreement, but is in danger of losing all this effort with the impasse created by Brazil's attitude toward deforestation, illegal mining and a low concern to environment – a major concern for the EU. South Africa has a significant list of agreements, but they are based on partial agreements and preferences toward regional partners. In this new economic order, countries are seriously challenged to rethink their strategic alliances with new political, defense and economic objectives.

On the domestic level, in a post-pandemic era, governments are forced to redefine priorities to address new pressing social and political demands. At the external level, the multilateralism is at a crossroads. International organizations are being forced to rethink their objectives, functions and funding and are in a waiting mood. India, Brazil and South Africa also belong to the BRICS group. However, what will be the future of BRICS in this new geopolitical order? How the conflict between the US and China will affect its existence? Can IBSA redefine a new role for itself? At the present moment, IBSA countries have not yet consolidated deep agreements with the main developed countries. Can a new South-South initiative be designed? India, Brazil and South Africa are major economies with a substantial population and have considerable influence in their respective regions. These countries are multi-cultural, multi-ethnic, and multi-religious. Certainly it should look for a new role in the present global scenario.

Trade and WTO

An attentive assessment of the big numbers of these three countries reveals a striking reality: their intra-trade flows are insignificant. What is happening among these countries? Why does the intra-trade flow remain so trivial?- are the

questions need to be investigated further. In the international arena, a big political problem exists among these three partners. India, Brazil and South Africa were major partners at the international trade arena. They had worked together at the WTO and were instrumental in creating the G20 coalition in the Doha Round and were quite successful in taking forward their interests to the final draft of the new agriculture agreement. They are raised to the core of the WTO G5. After the unsuccessful attempt to conclude the round, with the Lamy package, in 2008, India and Brazil started defending new priorities and assuming different positions at the WTO.

Currently, Brazil supports the inclusion of new trade issues through plurilateral agreements, mainly related to e-commerce and investment facilitation. India and South Africa are refusing to accept any new issues at the WTO and are seeking the continuation of the Doha Round with advances on development points to first successfully conclude the outstanding issues including those related to food security. The crises created by the conflict between US and China on the concept of market economies are also obstructing the reform of the WTO dispute mechanism. These impasses brought deep crises to the organization and paralyzed the trading system. The consequence is the multiplication of preference agreements and the fragmentation of trade rules. At the present moment, however, there are dangerous new facts on the tables of negotiations. The conflict US-China is pressing for new attitudes.

It is time, after so many years of paralysis, to bring WTO back to the center of the multilateral trading system. On this stage, IBSA has an important role to play in reviving the WTO. Their conflicting interests can be solved with a little bit of negotiation. This will allow the three countries to re-conquer their weight at the international trading arena. And even for IBSA, there is another interesting initiative worth considering that should be brought to the

attention of these three main players. How about bringing trade to the South-South Dialogue? They need to expedite their negotiations on a trade agreement (India-Mercosur-SACU) and come to an agreement on a shallow PTA based on the reduction of tariffs and quotas, cumulative rules of origin, services and WTO rules, and later on expand it to cover issues such as e-commerce, environment and investment. To partners of Brazil in Mercosur and South Africa in SACU, more flexible proposals could be offered. Why this initiative is not brought back to the tables? A quick analysis can be presented here to show the strength of these partners.

Trade Agreements of IBSA Members

IBSA countries can present a significant number of preferential agreements with their regional partners.

- **India Trade Agreements:** India has an impressive list of trade agreements. It has FTAs with ASEAN, South Asian countries, Japan and South Korea. It also has cooperation agreements with many African and European countries, and a partial trade agreement with Mercosur.
- **Brazil Trade Agreements:** Brazil's core agreement is with Mercosur, a custom zone including goods and services. In the region, Brazil is a member of ALADI, a preferential agreement on goods among 12 South American countries. Brazil also has partial trade agreements with India, Israel, SACU and Egypt. The most important agreement of Mercosur is with EU. Negotiations were finalized in 2019, but the conclusion and signatures are pending on a new adjustment related to deforestation, environment and sustainability, the main priorities of the EU.
- **South Africa Trade Agreements:** South Africa has a significant number of trade agreements. The core regional agreement is SACU – a duty-free trade among South Africa and the other four countries -

Botswana, Lesotho, Namibia, and Eswatini. SADC involves an FTA among 12 of the 15 African members. There is a partial agreement with Mercosur and India. South Africa, through SADC, has finalized negotiations with EAC and COMESA. South Africa is also a member of the newly launched African Continental Free Trade Area - AfCFTA. It also has cooperation agreements with China and the US.

A Re-launch for the IBSA PTA

It is evident that, even with the crises in the WTO, India and South Africa diversify their trade strategy with the preferential agreement. Brazil follows a different track. The question now is to analyze whether, at the present time, there is a possibility to re-launch a PTA among IBSA countries. A critical look at the trade numbers is worthwhile.

General View

India, Brazil and South Africa are big countries, with population around, 1,300 million, 212 million and 60 million, a market for 1.6 billion people. Their respective GDP is also significant: US\$ 29 trillion, US\$ 1.9 trillion and US\$ 350 billion (2019). India and Brazil are major export and import countries of goods, and India is a major trader of services. Numbers in 2020 are lower than in 2019 due to the pandemic effects. To analyze the opportunity of a new preferential agreement among IBSA countries, an examination of trade number is relevant. They are presented at the WTO data-base.

Exports x Imports of goods - 2020 (US\$ billion)

	Exports	Exports	Imports	Imports
	2019	2020	2019	2020
India	324	276	484	372
Brazil	223	210	184	166
South Africa	90	86	108	84

Exports x Imports of services - 2020

	Exports	Exports	Imports	Imports
	2019	2020	2019	2020
India	214	203	178	153
Brazil	33	28	67	47
South Africa	na	7	na	10

In terms of imports, non-agricultural goods are important for India and Brazil.

Imports of agriculture and non-agriculture goods 2019 (US\$ billion)

	Total	Agri	Non-agri
India	478	23	454
Brazil	170	10	160
South Africa	80	6	74

Source: WTO 2021

Major markets for exports

Information from WTO can also provide the countries of their exports.

India:

For agricultural goods – EU, US, Saudi Arabia, Iran and China.

For non-agricultural goods – US, EU, China, Hong-Kong-China and UAE.

Brazil:

For agricultural goods – China, EU, US, Japan and Egypt.

For non-agricultural goods – China. US. EU, Argentina and Chile.

South Africa:

For agricultural goods: EU, Botswana, Namibia, China and US.

For non-agricultural goods – EU, China, US, India and Japan.

Tariffs

In terms of tariffs, compared to other emerging countries, Brazil and India can be considered closed economies. Tariffs of industrial goods above 10 per cent presents higher percentages when compared to other emerging countries. The numbers also came from WTO – Countries Profile (2020)

Tariffs – simple average MFN applied (2019)

	Total	Agri	Non-agri
India	15	34	12
Brazil	13	10	14
South Africa	8	9	8

Source: WTO, 2021

Bilateral Trade Relations among IBSA Countries

Brazil and India present a very small trade relation in bilateral trade when compared to other partners. Brazil and South Africa trade relations are also very small. The same can be said between India and South Africa.

Trade Relations Brazil and India 2017-2019 (US billions)

	2017	2018	2019
Exports from B to I	\$4.657	\$3.908	\$2.776
Imports to B from I	\$2.984	\$3.867	\$4.536
Net result for B	\$1.672	\$41	-\$1.760

Source: Comexstat, 2021

Trade Relations Brazil – South Africa 2017-2019 (US billions)

	2017	2018	2019
Exports from B to SA	\$1.509	\$1.362	\$1.132
Imports to B from SA	\$490	\$664	\$751
Net result for B	\$1.019	\$698	\$380

Source: Comexstat, 2021

Trade Relations India-South Africa

	2017	2018	2019
Exports from I to SA	3.588	3.052	3.546
Imports to I from SA	5.907	5.096	5.834
Net result for B	-2.319	-2.044	-2288

Source: Comexstat, 2021

Trade among the IBSA Countries

In order to look at the possibility to ink a preferential agreement between IBSA countries, it is important to analyze aggregate data. These numbers are presented at the GTAP sectoral level and were extracted from WITS database.¹ The main products exported and imported among IBSA countries are the following:

- Brazil exports to India – average exports in the last five years (2015-2019): Mineral oil (35.0 per cent), Sugar (17.5 per cent), Vegetable oil and fats (11.6 per cent), Non-ferrous metals (8.4 per cent) and Chemical Products (7.6 per cent). Those five sectors accounted for almost 80 per cent of Brazilian exports to India.
- Brazil imports from India – average imports (2015-2019): Chemical products (35 per cent); Petroleum and Coal products (17.5 per cent); Basic pharmaceutical products (13.6 per cent); Textiles (8.4 per cent), and Other Machinery and Equipment (7.6 per cent). Those sectors accounted for almost 72 per cent of Brazilian imports from India in the last five years.
- Brazil exports to South Africa – average exports (2015-2019): Other meat products (poultry and swine) (15.7 per cent), Non-ferrous metals (11.3 per cent), Other Machinery and Equipment (7.5 per cent), Paper products and publishing (6.4 per cent) and Chemical products (5.0 per cent). Those five sectors accounted for almost 45 per cent of Brazilian exports to South Africa.
- Brazil imports from South Africa – average imports (2015-2019): Non-ferrous metals (31.3 per cent); Chemical products (21.9 per

cent); Coal (12.6 per cent); Iron & Steel (9.9 per cent), and Motor vehicles and parts (6.7 per cent). Those sectors accounted for almost 83 per cent of Brazilian imports from South Africa in the last five years.

- Indian exports to South Africa – average exports (2015-2019): Petroleum and coal products (21.6 per cent), Motor vehicles and parts (21.1 per cent), Basic pharmaceutical products (12.9 per cent), Chemical products (8.0 per cent); and Other Machinery and Equipment (5.2 per cent). Those five sectors accounted for almost 80 per cent of India exports to South Africa.
- Indian imports from South Africa – average imported (2015-2019): Coal (47.8 per cent); Non-ferrous metals (32.3 per cent); Iron & Steel (4.6 per cent); Paper products and publishing (3.7 per cent), and Motor vehicles and parts (6.7 per cent). Those sectors

accounted for almost 91 per cent of India imports from South Africa in the last five years.

A Simulation of a PTA among IBSA Countries

Simulating a PTA among IBSA countries is done using the GTAP mode. The analysis was carried out using version 10.1 of GTAP database. The standard GTAP is a comparative-static General Equilibrium Model, whose database has information on 65 sectors (45 goods 20 services), of 141 countries/regions. The countries in the database account for 98 per cent of world GDP and 92 per cent of world population. In this research, the dynamic version of GTAP (henceforth GDyn) has been used. GDyn is a recursively dynamic general equilibrium model largely used in the analysis of the impact of Preferential Trade Agreements (FTA).

Table 1: Impact of IBSA FTA on Macroeconomic indicators, accumulated 2022-2035.

Impact on Macroeconomic Indicator, accumulated 2022-2035 (difference between policy vs baseline projections)						
Indicator	Brazil		India		South Africa	
	Billion US\$	%	Billion US\$	%	Billion US\$	%
Real GDP	⬆️ \$ 50,41 ⬆️	0,12%	⬆️ \$ 138,02 ⬆️	0,22%	⬆️ \$ 18,87 ⬆️	0,30%
Investments	⬆️ \$ 78,85 ⬆️	0,18%	⬆️ \$ 206,99 ⬆️	0,37%	⬆️ \$ 93,23 ⬆️	1,42%
Total Trade	Brazil		India		South Africa	
Total Exports	⬆️ \$ 70,0 ⬆️	1,77%	⬆️ \$ 408,3 ⬆️	0,07%	⬆️ \$ 145,3 ⬆️	2,51%
Total Imports	⬆️ \$ 251,5 ⬆️	2,08%	⬆️ \$ 188,9 ⬆️	0,87%	⬆️ \$ 204,2 ⬆️	4,92%
Trade Balance	⬇️ \$ -181,5		⬆️ \$ 219,3		⬇️ \$ -58,9	
Trade IBSA	Brazil		India		South Africa	
Exports to India	⬆️ \$ 50,8 ⬆️	64%			⬆️ \$ 143,0 ⬆️	92%
Imports from India	⬆️ \$ 253,2 ⬆️	67%			⬆️ \$ 193,1 ⬆️	102%
Trade Balance with India	⬇️ \$ -202,4				⬇️ \$ -50,1	
Exports to South Africa	⬆️ \$ 18,1 ⬆️	90%	⬆️ \$ 193,1 ⬆️	102%		
Imports from South Africa	⬆️ \$ 11,3 ⬆️	92%	⬆️ \$ 143,0 ⬆️	92%		
Trade Balance with South Africa	⬆️ \$ 6,8		⬆️ \$ 50,1			
Exports to Brazil			⬆️ \$ 253,2 ⬆️	67%	⬆️ \$ 11,3 ⬆️	92%
Imports from Brazil			⬆️ \$ 50,8 ⬆️	64%	⬆️ \$ 18,1 ⬆️	90%
Trade Balance with Brazil			⬆️ \$ 202,4		⬇️ \$ -6,8	

Source: Authors' calculations.

GDyn extends the standard GTAP model to include international capital mobility, capital accumulation, and an adaptive expectations theory of investment. The main objective of GDyn is to provide a better treatment of the long run within the GTAP framework. To evaluate the impacts of an external shock in the global economy (like an FTA), GDyn projects two scenarios for the global economy: a “Baseline” projection, that simulates what is expected the world economy look like without an external shock; and a “Policy” projection, that consider how the economy will look like with the external shock (like the India-Brazil-South Africa FTA). The difference between the two paths shows the effect of the policy under analysis.

Results and Conclusions

All results presented in the next section are the difference between Policy and Baseline projections, accumulated in the period 2022-2035.

Macroeconomic result - The Table 1 shows that the impact of a FTA between India, Brazil and South Africa would have positive impact on the main macro-economic indicators in all countries. Considering the accumulated difference between policy and baseline projections during 2022 to 2035, Brazil’s GDP is expected to be 0.12 per cent higher (approximately US\$ 50.4 billion) in a scenario with an FTA, India’s GDP is expected to be 0.22 per cent higher (approximately US\$ 138.0 billion) in a scenario with an FTA, and South Africa’s GDP it expected to be 0.30 per cent higher (approximately US\$ 18.9 billion) in a scenario with an FTA. Impacts on investments would also be positive. Considering the accumulated results, in scenario with an IBSA FTA shows that investments in Brazil would be 0.18 per cent higher (approximately US\$ 78.9 billion), in India 0.37 per cent higher (approximately US\$ 206.7 billion), and in South Africa’s 1.42 per cent higher (approximately US\$ 93.3 billion). Table 1 also shows a positive impact on total exports and imports in India, Brazil, and South Africa.

Again, considering the accumulated difference, the results in a policy projection (with the FTA) on Brazil’s total exports and imports were higher by 1.77 per cent (approximately US\$ 70.0 billion) and 2.08 per cent (approximately US\$ 251.5 billion) respectively. India’s total exports and imports were higher by 0.07 per cent (approximately US\$ 408.3 billion) and 0.87 per cent (approximately US\$ 189.9 billion) respectively, and South Africa’s total exports and imports were higher by 2.51 per cent (approximately US\$ 145.3 billion) and 4.92 per cent (approximately US\$ 204.2 billion) respectively. Regarding trading between IBSA members, results show that in a scenario with FTA, Brazil’s imports from India and South Africa grow more than its exports to those countries.

As can be seen in Table 1, Brazilian exports and imports to/from India are 64 per cent (approximately US\$ 50.8 billion) and 67 per cent (approximately US\$ 253.2 billion) higher in a scenario with FTA, respectively. Similarly, results shows that Brazilian exports and imports to/from South Africa are 90 per cent (approximately US\$ 18.1 billion) and 92 per cent (approximately US\$ 11.3 billion) higher in a scenario with IBSA FTA, respectively. Indian’s exports to Brazil and South Africa should grow more than its Imports. Table 1 shows that Indian exports and imports to/from Brazil should be 67 per cent (approximately US\$ 253.2 billion) and 64 per cent (approximately US\$ 50.8 billion) higher in an FTA scenario, respectively, whereas Indian exports and imports to/from South Africa should be 102 per cent (approximately US\$ 193.1 billion) and 92 per cent (approximately US\$ 143.0 billion), higher in an FTA scenario, respectively.

Sectoral Results

Sectoral Impacts in Brazil

Table 2 shows that the sectors in Brazil most positively impacted in terms of absolute difference (accumulated between 2022-2035)

between policy and baseline projections are chemical products (US\$ 9.9 billion), non-ferrous metals (US\$ 9.7 billion), processed sugar (US\$ 7.9 billion), construction (US\$ 7.7 billion) and motor vehicles and parts (US\$ 7.1 billion). On the other hand, the sectors most negatively

impacted would be Textiles (-US\$ 22.6 billion), wearing apparel (-US\$ 18.5 billion), other business services (-US\$ 10.9 billion), basic pharmaceutical products (US\$ -4.6 billion) and petroleum, coal products (-US\$ 3.1 billion).

Table 2: Sectors most impacted on Output in Brazil, accumulated difference (Billion US\$)

Top 05 sectors most impacted on Output - Brazil, accumulated 2022-2035 (difference between policy and baseline projections in Billions US\$)							
Sector		Positive impact			Sector		Negative Impacts
Chemical products		↑ \$	9,9	0,43%	Textiles	↓ \$	-22,6 -3,78%
Non-Ferrous Metals (production and casting)		↑ \$	9,7	3,58%	Wearing apparel	↓ \$	-18,5 -3,54%
Processed sugar		↑ \$	7,9	1,72%	Other Business Services nec	↓ \$	-10,9 -0,42%
Construction		↑ \$	7,7	0,17%	Basic pharmaceutical products	↓ \$	-4,6 -0,92%
Motor vehicles and parts		↑ \$	7,1	0,35%	Petroleum, coal products	↓ \$	-3,1 -0,20%

As shown in Table 2 (increase of sectoral exports), most sectors positively impacted in terms output benefited with an increase in exports, whereas most sectors negatively impacted in terms of output were those that faced an increase in imports, showing a potential effect of imports-substitution, where the goods local produced are substituted by similar imported.

Table 3: Sectors most impacted on Exports in Brazil, accumulated difference (Billion US\$)

Top 05 sectors most Impacted on Exports - Brazil, accumulated 2022-2035 (difference between policy and baseline projections in Billions US\$)							
Sector		Positive Impact			Sector		Negative Impacts
Chemical products		↑ \$	11,30	5,3%	Other Extraction (mining of metal ores)	↓ \$	-0,99 -0,2%
Non-Ferrous Metals (production and casting)		↑ \$	10,85	13,7%	Oil seeds	↓ \$	-0,77 -0,2%
Processed sugar		↑ \$	7,79	5,9%	Bovine meat products	↓ \$	-0,56 -0,7%
Motor vehicles and parts		↑ \$	6,50	3,3%	Other Financial Intermediation	↓ \$	-0,29 -0,5%
Other transport equipment n.e.c		↑ \$	4,71	5,1%	Wholesale and retail trade (incl repair of motor vehicles)	↓ \$	-0,13 -0,3%

Table 4: Sectors most impacted on Imports in Brazil, accumulated difference (Billion US\$)

Top 05 sectors most impacted on Imports - Brazil, accumulated 2022-2035 (difference between policy and baseline projections in Billions US\$)							
Sector	Positive impact				Sector	Negative Impacts	
Wearing apparel	↑ \$	26,72	↑	38,8%	Mineral oil	↓ \$	-1,10 ↓ -0,5%
Other Business Services nec	↑ \$	15,84	↑	3,3%	Paper products, publishing	↓ \$	-0,06 🏠 -0,2%
Textiles	↑ \$	11,86	↑	14,7%	Coal	↓ \$	-0,04 🏠 -0,1%
Other machinery and equipment n.	↑ \$	6,34	↑	1,2%	Petroleum, coal products	↓ \$	-0,02 🏠 0,0%
Basic pharmaceutical products	↑ \$	6,24	↑	5,0%			

Table 5: Sectors most impacted on Output in India, accumulated difference Table (Billion US\$)

Top 05 sectors most impacted on Output - India, accumulated 2022-2035 (largest difference between policy and baseline projections in Billions US\$)							
Sector	Positive impact				Sector	Negative Impacts	
Wearing apparel	↑ \$	71,7	↑	4,20%	Other Business Services nec	↓ \$	-125,8 ↓ -1,24%
Motor vehicles and parts	↑ \$	60,5	↑	2,49%	Information and communication	↓ \$	-33,3 ↓ -1,01%
Construction	↑ \$	51,2	🏠	0,36%	Processed sugar	↓ \$	-17,8 ↓ -2,88%
Textiles	↑ \$	50,1	↑	1,47%	Sugar cane, sugar beet	↓ \$	-11,1 ↓ -2,16%
Petroleum, coal products	↑ \$	42,6	↑	0,65%	Bovine meat products	↓ \$	-6,2 ↓ -1,23%

As shown in Table 6 (an increase of sectoral exports), similar to Brazil, most sectors positively impacted in terms of output in India also benefited from an increase in exports, whereas, as showed, most sectors negatively impacted in terms of output were those that faced an increase in Imports, showing a potential effect of imports-substitution, where the goods local produced are substituted by similar imported.

Table 6: Sectors most impacted on Exports in India, accumulated difference (Billion US\$)

Top 05 sectors most impacted on Exports - India, accumulated 2022-2035 (largest difference between policy and baseline projections in Billions US\$)							
Sector	Positive impact			Sector	Negative Impacts		
Wearing apparel	↑	\$ 68,24	↑	6,1%	Other Business Services nec	↓	\$ -123,44 ↓ -1,5%
Motor vehicles and parts	↑	\$ 51,42	↑	9,4%	Information and communication	↓	\$ -32,49 ↓ -1,9%
Other machinery and equipment n.e.c	↑	\$ 22,04	↑	4,5%	Wholesale and retail trade (incl repair of motor vehicles)	↓	\$ -7,48 ↓ -2,2%
Petroleum, coal products	↑	\$ 20,56	↑	2,2%	Insurance	↓	\$ -7,40 ↓ -2,1%
Textiles	↑	\$ 20,27	↑	2,3%	Education	↓	\$ -7,23 ↓ -2,9%

Table 7: Sectors most impacted on Imports in India, accumulated difference (Billion US\$)

Top 05 sectors most impacted on Imports - India, accumulated 2022-2035 (largest difference between policy and baseline projections in Billions US\$)							
Sector	Positive impact			Sector	Negative Impacts		
Mineral oil	↑	\$ 24,86	↑	0,8%	Other Extraction (mining of metal)	↓	\$ -0,28 ↓ 0,0%
Non-Ferrous Metals (production and casting)	↑	\$ 21,68	↑	1,3%			
Chemical products	↑	\$ 13,98	↑	1,0%			
Processed sugar	↑	\$ 8,18	↑	113,6%			
Iron & Steel (production and casting)	↑	\$ 6,49	↑	1,6%			

Sectoral impacts in South Africa

The following Table shows that the sectors in South Africa most positively impacted in terms of absolute difference (accumulated between 2022-2035) between policy and baseline projections were non-ferrous metals (US\$ 51.5 billion), construction (US\$ 7.9 billion), human health and social work (US\$ 4.9 billion), public services (US\$ 3.1 billion) and dwellings" (US\$ 1.4 billion). On the other hand, the sectors most negatively impacted include wholesale and retail trade (-US\$ 16.2 billion), apparel (-US\$ 14.5 billion), motor vehicles and parts (-US\$ -8.8 billion), textiles" (US\$ -6.7 billion) and petroleum, coal products (-US\$ 6.4 billion).

Table 8: Sectors impacted on Output in South Africa, accumulated difference (Billion US\$)

Top 05 sectors most impacted on Output - South Africa, accumulated 2022-2035 (largest difference between policy and baseline projections in Billions US\$)							
Sector	Positive impact				Sector	Negative Impacts	
Non-Ferrous Metals (production and casting)	↑	\$	51,5	↑ 8,04%	Wholesale and retail trade (incl repair of motor vehicles)	↓	\$ -16,2 ↓ -1,55%
Construction	↑	\$	7,9	↑ 1,19%	Wearing apparel	↓	\$ -14,5 ↓ -13,07%
Human health and social work	↑	\$	4,9	↑ 0,69%	Motor vehicles and parts	↓	\$ -8,8 ↓ -1,68%
Public Services (Government)	↑	\$	3,1	↑ 0,55%	Textiles	↓	\$ -6,7 ↓ -8,81%
Dwellings	↑	\$	1,4	↑ 0,49%	Petroleum, coal products	↓	\$ -6,4 ↓ -2,00%

As shown in Table 9 (increase of sectoral exports), most sectors positively impacted in terms output in South Africa, except non-ferrous metals, were not those ones with highest increase in exports. This indicated that those sectors would be impacted due to an increase in domestic consumption. Similarly, regarding imports, except apparel and “Motor Vehicles and parts”, the other sectors negatively impacted in terms of output were not those ones that faced an increase in imports, showing a lower effect of imports-substitution compared to India and Brazil.

Table 9: Sectors impacted on Exports in South Africa, accumulated difference (Billion US\$)

Top 05 sectors most impacted on Exports - South Africa, accumulated 2022-2035 (largest difference between policy and baseline projections in Billions US\$)							
Sector	Positive impact				Sector	Negative Impacts	
Non-Ferrous Metals (production and casting)	↑	\$	51,47	↑ 8,4%	Other machinery and equipment n.e.c	↓	\$ -1,57 ↓ -3,9%
Motor vehicles and parts	↑	\$	5,65	↑ 4,2%	Other foods products (prepared fish, flour, and others)	↓	\$ -1,11 ↓ -2,8%
Chemical products	↑	\$	2,37	↑ 1,7%	Petroleum, coal products	↓	\$ -0,97 ↓ -1,8%
Iron & Steel (production and casting)	↑	\$	2,14	↑ 1,6%	Other Manufactures n.e.c	↓	\$ -0,97 ↓ -4,2%
Coal	↑	\$	1,43	↑ 1,3%	Recreation & Other Services	↓	\$ -0,92 ↓ -3,5%

Table 10: Sectors impacted on Imports in South Africa, accumulated difference (Billion US\$)

Top 05 sectors most impacted on Imports - South Africa, accumulated 2022-2035 (largest difference between policy and baseline projections in Billions US\$)							
Sector		Positive impact		Sector		Negative Impacts	
Wearing apparel	↑	\$ 29,23	↑ 36,4%	Mineral oil	↓	\$ -4,10	↓ -2,0%
Motor vehicles and parts	↑	\$ 16,65	↑ 6,6%	Gas	↓	\$ -0,23	↓ -0,7%
Other machinery and equipment n.e.c.	↑	\$ 7,67	↑ 3,4%	Air transport	↓	\$ -0,22	↓ -0,6%
Leather products	↑	\$ 5,72	↑ 14,6%	Water transport	↓	\$ -0,07	↓ -1,3%
Electricity	↑	\$ 4,88	↑ 9,4%	Vegetables, fruit, nuts	↓	\$ -0,02	↓ -0,5%

Conclusion

The main objective of launching IBSA was to contribute to the development of a new international architecture by amplifying voices from the South at a global level. Given the emerging challenges on account of the COVID-19 pandemic and the focus on public health, widespread economic crisis and increase in poverty levels, IBSA countries must forge a deeper collaboration to provide innovative solutions. With the uncertainty surrounding

the WTO trade negotiations, and the focus on preferential trade agreements, IBSA countries should expedite negotiations on the trilateral trade pact (India-Mercosur-SACU) and take forward South-South ties.

Endnote

- ¹ Data was extracted from World Integrated Trade Solution (WITS) of World Bank at HS6 level and aggregated at GTAP sectoral level.

9

IBSA and Africa's Development Agenda

Anil Sooklal*

Letlhogonolo Mashilo**

Introduction

On the occasion of the 6th IBSA Academic Forum and the eve of the 6th IBSA Summit, it is befitting that the India, Brazil, South Africa (IBSA) Dialogue Forum, takes stock of its trajectory since its inception. IBSA was founded as a pioneer formation in a global system that had until then been dominated by the developed western powers with developing countries serving as spectators to global geo-political, economic and developmental agendas which directly impacted on their future well-being. The three visionary leaders of India, Brazil and South Africa established the IBSA Dialogue Forum in 2003 as a concerted effort to bring to bear on the global community, the powerful voice of the developing South.

The three large pluralistic, democratic states straddling the three continents of Asia, Latin America and Africa were well positioned as leading developing countries in their respective regions to provide an authentic voice from the Global South. The historical colonial struggle credentials ensured that they emerged and articulated not only their interest but the collective interest of the developing world. Eighteen years later, IBSA is a bonafide champion of the Global South in terms of, i) promotion of south-south cooperation dialogues, ii) establishment of common positions on issues of global political/multilateral importance, iii) reform of global governance structures, iv) strengthening commercial/investment ties, v) information exchange and technological cooperation, iv) tangible contribution to developmental needs

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of developing countries in the fight against poverty and hunger.

South Africa's membership of IBSA brings into the partnership not only its own representation but a direct association with the African continent. On a national level, the Forum enables South Africa to contribute to its own National Development Plan (NDP) by learning and adopting best practices and building capacity through IBSA's close proximity and observance of the United Nations Development Programme (UNDP) frameworks in addressing challenges of poverty, unemployment and inequality in third countries, particularly on the African continent. South Africa can imitate and replicate these experiences in creating a better South Africa and a better Africa as articulated in its foreign policy. On a regional level, the Forum empowers South Africa to address and contribute towards the developmental needs of sister African countries through the Forum in an impactful manner as advocated by the African Union Agenda 2063. Furthermore, on a global level, South Africa is empowered to contribute through the Forum towards the development of other developing countries of the Global South.

Irrespective of the above-mentioned cooperation, the Forum's endeavours have had direct impactful developmental outcomes on the African continent through the aptly named IBSA Facility for Poverty and Hunger Alleviation (IBSA Fund). The IBSA Fund established in 2006, as a Head-of-State-level initiative that supports South-South Cooperation for the benefit of developing countries has not only been lauded as the model for South-South Cooperation (2015-2016) by the United Nations Development Programme (UNDP), it has also received complimentary remarks from United Nations Secretary-General, Mr Antonio Guterres, who stated "The IBSA Fund is a commendable example of how developing countries can come together to overcome hunger and poverty through South-South Cooperation. Its results and lessons learned will help us all build a more peaceful and sustainable world for

all" (UNDP, 2017; 6). The success of the Fund has been reiterated as that of a facility with concrete projects on the ground at zero cost and no conditions to recipient countries. It involves the sharing of technical expertise, financing by IBSA member states and implementation and oversight by the United Office for South-South Cooperation (UNOSSC).

The IBSA Fund has to date successfully contributed to addressing all the seventeen (17) Sustainable Development Goals (SDGs) which aim to "eradicate poverty in all its forms and dimensions", especially extreme poverty and hunger as mainly experienced in the Global South due to historical injustices. In this regard, the IBSA Fund has been addressing challenges of poverty eradication and sustainable development on the African continent for the past fifteen (15) years. The fund has focused especially on African Least Developed Countries (LDC), Landlocked Developing Countries and Small Island Developing States (SIDS) as postulated in Agendas 2030 and 2063 respectively. Furthermore, the attainment of the aspiration of Agenda 2063 of peace, prosperity, inclusive growth, a sustainable development in a secure Africa have, at a microscopic fund level been pursued by the IBSA Fund through fourteen (14) specialized developmental projects implemented on the African continent as will be discussed later.

Consequently, an amount of US\$ 43.63 million has been committed to 35 developmental projects carried out in 31 partner countries of the Global South as diverse as Cambodia, Guyana, Haiti, Laos and the State of Palestine. However, the African continent to date has received a large proportion of IBSA Funded projects. At least eight (8) countries from the continent, namely, Burundi, Comoros, Eswatini, Guinea-Bissau, Malawi, Senegal, Sierra Leone, Sudan and Zambia have benefitted from IBSA projects. The above-mentioned projects cover issues of poverty relief, social equity, development projects in the areas of food security, education, skills and capacity building,

gender mainstreaming, health, infrastructure and youth employability amongst others.

The Fund has an established relationship in addressing Africa's Development Agenda since the inaugural IBSA Fund agricultural project that was launched in Guinea-Bissau in 2005. Over the past 16 years, there are currently nine (9) completed projects, two (2) on-going projects and two (2) recently approved projects in Africa amounting to US\$ 9,635 365, US\$ 2,800 000 and US\$ 1, 999 350, respectively. The aforesaid African projects are in this article categorized according to Agenda 2063 priority areas of; (i) Jobs, Education, Health, Tourism, Agriculture, (ii) Good Governance, Leadership, iii) Women/ Girls and Youth Empowerment.

A number of examples of IBSA Fund projects implemented in Africa are listed as follows;

- (i) Sudan - Creation of Job Opportunities for Youth through labour-intensive work opportunities (US\$ 1, 300 000);
- (ii) Sierra Leone - Leadership Development and Capacity-building for Human Development and Poverty Reduction (US\$ 1, 000 000);
- (iii) Burundi - Strengthening Infrastructure and Capacity to Combat HIV/ AIDS (US\$ 1,145,630);
- (iv) Guinea-Bissau - Development of Agriculture and Small Animal Herding - Project I (US\$ 498, 750);
- (v) Guinea-Bissau - Agricultural Development and Services to Rural Communities - Project II (US\$ 830, 000);
- (vi) Guinea-Bissau - Support for Lowland Rehabilitation and for Agricultural and Livestock Processing - Project III (1,550,000);
- (vii) Guinea-Bissau - Rural Electrification through Solar Energy Systems - Project IV (US\$ 596,305);
- (viii) Zambia - Leveraging Zambia's Agro-Industry potential in Rural Areas through Enhanced Soya Bean Production and processing (US\$ 1,714,680);

(ix) Comoros - Enhancing Agriculture Capacity (US\$ 1,800,000);

(x) Malawi and Zambia - Ending Child Marriages (US\$ 1,000 000).

The total cost of fund projects implemented on the African continent amounts to US\$ 11,435, 365. The aforesaid total expenditure on African projects is slightly higher than the overall amount spent on projects in Asia and Latin America. During the period 2004 - 2019, Africa received 41 per cent of the approved budget allocations as compared to 23 per cent for Latin America and the Caribbean whilst the Asia Pacific and the Arab States received 20 per cent and 14 per cent respectively. Despite modest amounts contributed to fund projects on the continent and elsewhere by the IBSA countries, the return on investment and project deliverables far outweigh initial project costs because of the tangible outcomes made on the ground and impacts made on the lives of millions of beneficiaries, largely in the most impoverished communities of the global south.

Analysis of IBSA Fund Projects Implemented on the African Continent

A large proportion of developmental projects on the African continent from different donor entities have mainly focused on; i) peace and security, ii) election observer missions, iii) drought-relief, iv) humanitarian assistance, v) good governance and, vi) capacity building. These projects have all had strict terms and conditionalities often under the pretext of accountability and fiduciary responsibilities and moreover with project modalities prescribed by aforesaid donor countries with the recipient countries having little or no say. The IBSA Facility has sought to establish a new paradigm of South-South Cooperation wherein the recipient countries take the lead in designing and determining the nature of the project based on their critical needs. The IBSA Facility model of funding operates in a different manner with

project proposals conveyed in the following way, i) a project proposal from a developing country is directly submitted to the UNOSSC offices in New York, ii) a project proposal is submitted through one of the IBSA Permanent Missions to the United Nations (PMUN) in New York, iii) a project proposal is alternatively submitted to Foreign Ministries of IBSA countries or any of the IBSA country missions represented abroad. The project proposal modalities are markedly different from the traditional Global North-to-Global South model of donor funding and support. Firstly, the project proposal is initially drafted by the requesting country in accordance with its national priorities. Secondly, upon receipt of the project proposal by IBSA countries and the United Nations Development Programme (UNDP), the project proposal is reviewed and its recommendations are shared with the requesting country to effect changes with their concurrence if needed. Thereafter, the IBSA Board of Directors comprised Permanent Representatives from IBSA countries stationed in New York approves the finalized project proposal for IBSA Funding. The abovementioned project proposal approval process subsequently sets the template for a beneficial trilateral cooperation on terms of global south players, that is, the recipient countries, IBSA countries and the UNDP/UNOSSC.

Ongoing Projects in Africa

In order to get a better understanding and appreciation of IBSA projects on the African continent, a review of three ongoing recently approved projects will be elaborated. This covers the areas of agriculture, renewable energy and gender equality.

Comoros

The ongoing IBSA Fund project in Comoros entitled; Enhancing Agricultural Capacity is an agricultural project contributing to food security and addressing Sustainable Development Goal 2 (End hunger, achieve food

security and improved nutrition and promote sustainable agriculture) which aims to enhance and improve the production conditions and commercialization of agricultural products on the island of Mohéli. The project further falls under the ambit of poverty eradication and prevention of hunger programmes as defined in the Comoros rural development strategy. The project has been consistent with the Comprehensive Africa Agriculture Development Plan (CAADP) of the African Union Development Programme (AUDA) on the four pillars of, i) Land and Water management, ii) Market Access, iii) Food Supply, and iv) Hunger Eradication. Consequently, the project has enhanced the food production of small-scale farmers following sound agricultural techniques for a variety of crops which in turn cascades to benefit vulnerable groups such as women and youth. The project was allocated an amount of US\$ 1,8 million to empower and capacitate state farmers through modern farming and drip irrigation systems.

The project set up a farm school to serve as a learning centre in the rural areas, engaging in farmer training, participating in training of tractor operators, producing 450 kg of compost units and sensitizing over 10 000 Comorian diaspora youth to agricultural practices on social media. The project is implemented by the South African Agriculture Research Council (ARC) and its impact has been to impart technical capacity on agricultural production and directly address the scourge of poverty and eradication of hunger. Subsidiary benefits of the project have been the reduction of the cost of food as a result of the reduction of overdependence on imported basic foodstuff and thus enhancing food security. Additionally, technical agricultural skills have been developed/enhanced and this had led to a measurable creation of employment. In summary, a single project has addressed food security, creation of employment, the reduction of food prices and elimination of poverty all at once whilst simultaneously covering areas in the First Ten

Year Implementation Plan of Agenda 2063, namely, the objective of Modern Agriculture for increased productivity and priority area of production on the Agriculture/value addition and agro-businesses development. The Comorian agricultural project is one of two such agricultural projects to be implemented on the African continent, the second one being in Zambia.

Guinea-Bissau

A completed Rural Electrification through Solar Energy Systems is a solar energy project in Guinea-Bissau implemented from July 2011 to May 2015. The project contributed to SDG 7 (Ensure access to affordable, reliable, sustainable and modern energy for all) with the aim of improving village life in rural areas with no electricity. With a modest budget of US\$ 596 305, the project was able to provide solar energy to twenty (20) villages with approximately 20 000 villagers being beneficiaries of the project through, i) installations of indoor lighting in schools, ii) access to running water provided by solar water pumps, iii) installations of streetlights/portable lanterns for villagers which enhanced security, iv) installation of cell-phone chargers in community centres for enhanced mobile connectivity as well as serving as a source of income for village associations. However, the largest impact brought about by the project was in support of communities in developing effective and sustainable management of solar equipment. The socio-economic impact of access to running water on the lives of rural women meant that they could engage further in small-scale subsistence farming to produce household foods to provide for their immediate families. Whilst the project was meant mainly for electrification purposes, the utilization of solar energy equipment in rural villages additionally provided a trickle down of benefits not originally envisioned during the project formulation processes. The project indirectly increased primary reliance on clean technology by the affected rural communities

boding well with SDG 7 whilst simultaneously addressing Agenda 2063 priority area of Energy which aims to ensure that the objective of access for all Africans to clean and affordable energy/ electricity is achieved.

Malawi and Zambia

A pilot project on Eliminating Child Marriages in Malawi and Zambia and offering Scholarships to Child Marriage Survivors was approved for implementation for the period April 2019 – June 2020. The project contributed to SDG 5 (Achieve gender equality and empower all women and girls). In that regard, the project addressed aspiration six (6) of Agenda 2063 of an Africa whose development is people driven, relying on the potential offered by African People, especially its Women and Youth, and caring for Children. Furthermore, the project supports African Union (AU) continental efforts to end child marriages in Africa, as a step towards the realization of the vision and goals set out in the development blue-print of Agenda 2063 in addition to commitments made in the Africa Charter on the Rights and Welfare of the Child and the Maputo Protocol on Women's Rights. The project assists in repositioning young women and girls who have been survivors of child marriage to be at the centre of social movements while leveraging the transformative power of traditional institutions. In this regard, the project provided scholarships and supported 1417 young women and girls to re-enrol in school after an early marriage, however, the long term goals of the project includes, i) keeping girls in school for longer and to delay early marriages, ii) empowering girl-children to contribute to the economic well-being of their countries in the future, iii) an increase in women's expected earnings in the labour market and, iv) improving gains in the well-being of populations of the recipient countries of Malawi and Zambia. The total cost of the project amounted to US\$ 992 250 whilst the socio-economic impacts of the project are immeasurable.

Conclusion

It is quite obvious that the IBSA for poverty and hunger alleviation is a unique and laudable initiative of South-South Cooperation (SSC) in addressing the developmental challenges of the global South. The Fund as an initiative of three developing countries demonstrates that countries of the South are capable of providing leadership and taking initiative in addressing their own challenges and needs as a collective in an inclusive manner without being prescriptive, exploitative, or seeking to gain leverage through development cooperation. The IBSA Fund is purely driven by the desire to create a more equitable and inclusive global order by directly addressing issues of poverty, underdevelopment and inequality. The IBSA Fund becomes even more relevant today, as the world is ravished by the Covid-19 pandemic and where millions have been pushed further into poverty and unemployment, the Fund is a beacon of hope in building towards a better world and creating a more equitable, inclusive and humane world order.

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Key Recommendations

IBSA and Global Geo-Strategies

- Furthering the spirit of IBSA Joint Ministerial Statement on Reform of the UN Security Council, IBSA countries should continue their efforts for seeking the expansion of Security Council membership to include representation from emerging and developing countries of Asia, Latin America and Africa, in both the permanent and non-permanent categories.
- IBSA stands out as a global model of true South-South Cooperation and has adhered to a principled approach to trilateral cooperation as well as global governance. The IBSA Declaration on South-South Cooperation of 2018 reiterates the basic principles and suggests that IBSA partnership is based amongst equals which is guided by principles of respect for national sovereignty; national ownership and independence; equality; non-conditionality; non-interference in domestic affairs; and mutual benefit. It is important that successive IBSA presidencies uphold the true spirit of this declaration and collaborate for wider acceptance of such principles in global governance.
- Reinforcing the spirit of the 2011 Tshwane Declaration towards “maintaining international peace and security” and “cooperation on preventing terrorism”, the IBSA forum should convene a meeting on peace and security, and conflict prevention with a special focus on threats from terrorism and violation of rights.
- Drawing upon the successful coordination of their efforts in the UN Security Council for ending violence in Syria, IBSA countries should revive cooperation on international terrorism. In the wake of the ongoing power shift in Afghanistan, IBSA should ensure that the Afghan territory is not used by militia groups for launching terror attacks against other countries. As in the past, IBSA should continue to adopt its principled approach to Responsibility to Protect (R2P) for global peace and security.
- As a response to the pandemic, IMF allocated US\$650 billion for SDR, of which only \$274 billion (42%) would go to emerging and developing countries that are 80 percent of IMF membership. The pandemic induced loss of lives and livelihood has created much deeper challenges for the developing countries with significant loss of national incomes, reversal of SDG gains, erosion of social protection and widening of economic and social divides. The capacities of developing countries to put up stronger financial cushions are severely curtailed and magnanimous stimulus packages rolled out in developed countries has widened global inequities. Therefore, IBSA’s leadership in global response to the health and economic

damages caused by the Covid-19 pandemic is urgently called for.

- During the COVID-19 pandemic and post-pandemic era, public health has emerged as a 'Global Public Good'. IBSA countries should proactively pursue their cooperation in pushing for the access to technologies by innovative means as well as in ensuring the supply chain resilience of the medical products such as medicines, vaccines, diagnostic kits, etc. by forging stronger collaboration in the domain of domestic manufacturing, entrepreneurship, and capacity building.
- The Covid-19 pandemic has taken a huge health and economic toll in IBSA member countries. Global vaccine distribution to fight the Covid-19 pandemic remains highly skewed and only a few developing countries have created self-reliance on vaccine manufacturing capacities. It is important that all the three IBSA countries put their weight behind the WTO TRIPS waiver proposal being jointly being pursued by India and South Africa.
- In the aftermath of the pandemic and inspired by the IBSA Joint Declaration on South-South Cooperation IBSA should focus on developing a joint narrative on South-South Cooperation and development towards a fair and equitable world. Recalling the commitments and the means of implementation for the development agenda, IBSA should continue to stress on the centrality of achievement of the SDGs and the Rio principle of Common but Differentiated Responsibilities (CBDR) and respective capabilities.
- In that direction IBSA should continue to press for the development commitment enshrined in the 2008 Doha Declaration and of the Monterrey Consensus of 2002 of providing 0.7 percent GNI as ODA by developed countries and the measures contained in the Addis Ababa Action

Agenda for making finance available for achieving 2030 Agenda and the Sustainable Development Goals (SDGs). The ODA flows have severely reversed and are not commensurate with the need of global recovery from the pandemic.

- The maritime cooperation among IBSA countries has assumed renewed significance amidst emerging shifts in the global order. IBSA has been strongly devoted to cooperation in this area through the joint Multi-National Maritime Exercise called IBSAMAR and such cooperation can be further deepened to enhance capacities in the most advanced technology domains to prepare for future threats and consolidate IBSA's stake in promoting global peace and security in a multi-polar world order ushering legitimate preeminence of IBSA.
- The mounting global challenges be it pandemic control, climate change, or equitable social development all need meaningful Science, Technology and Innovation (STI) solutions backed by access. Under the ongoing efforts on the Technology Facilitation Mechanism (TFM) of the Agenda 2030 originally supported by India and Brazil, the UN has already launched the first phase of the Global Pilot Programme on Science, Technology and Innovation for SDGs Roadmaps initially with five pilot countries including India. IBSA should enhance their dialogue and cooperation on similar initiatives to strengthen technology transfer and facilitation globally to benefit developing countries.
- In order to strengthen the means of implementation of the SDGs, IBSA should draw upon its own development experiences as well as stellar leadership on development cooperation to promote tracks under global governance mechanisms to institutionalise robust data systems and enhanced use of data for development that are insulated from external influences and minimises scope for manipulations.

Triangular Cooperation in IBSA Trade

- IBSA's rise as an axis of South-South Cooperation requires it to have a strong regional economic caucus. Towards this end, IBSA has to deepen its internal coordination and significantly boost the intra-IBSA trade profile. The progressive increase in the Intra-Regional Trade (IRT) through existing institutional mechanisms including Preferential Trade Agreements (PTAs), Bilateral Investment Agreements, etc., may be strengthened to improve the efficiency of the regional caucus as envisaged in the 2006 IBSA Forum declaration.
- Regional cooperation among IBSA countries in trade and investment should be intensified, with further support for other developing countries. Regional trade in IBSA focus may look into employment generation in the trade sector by engaging in certain vibrant sectors where the group has strong intra-industry trade and competitiveness among member countries. Bilateral tariff and non-tariff barrier (NTB) management through existing arrangements may be made comprehensive with mutual consultation to benefit regional members. There are certain high potential sectors, which are covered under high protection in the region such as automobiles.
- IBSA should strengthen its cooperation in initiating joint projects in trade facilitation measures and infrastructure. Sectors such as wood pulp, plastics, base metals, etc. may be considered to liberalise trilaterally or bilaterally among the member nations. Apart from traditional major sectors, new major sectors are also emerging. These sectors may be promoted to bolster inflows of trade within the region. Gradual sectoral liberalisation among members through existing Agreements may help the region in 'catching-up' fast with the world economy.
- There is a strong global expectation from IBSA to play an important role in the rebounding of the global economy post-pandemic. It may start with expanding intra-regional trade among IBSA member countries through fresh unilateral/regional trade arrangements and consequent concessions and can expand it to other countries. With huge potential, trade in services should form an essential component of the trade negotiations and initiatives in this area. Important trade sectors of the region with the world are similar to the sectors important for intra-regional trade of the region.
- Scientific institutions in member countries may be associated with the manufacturers to develop new products for production, consumption and trade. Product quality is important for the domestic and global markets for trade. Cooperation for product quality development may be considered through joint projects.

IBSA and Global Trade Governance

- In the spirit of the IBSA Joint Statement on the Reform of the Multilateral System, it is important that the process of WTO reform must keep development at its core, promote inclusiveness and non-discrimination, build trust and address the inequalities and asymmetries in existing agreements. It should take into account the diversity of interests and concerns of the whole Membership, including developing Members, in particular LDCs. IBSA countries recognise the central role played by the WTO in promoting the interests of developing countries on issues such as agriculture.
- The three countries are keen that the deadlock regarding the appointments to the WTO Appellate Body ends and the selection process is launched so that the Dispute Settlement Body can take a decision to appoint six new Appellate Body members as soon as possible.

- To further trade and investment cooperation, IBSA should collaborate on outstanding trade governance issues and initiate dialogue in areas with strong trade, finance and technology convergence like e-commerce, investment facilitation etc. towards trust building, knowledge sharing, and entrepreneurship promotion..

Multilateral Governance Reforms

- The three IBSA countries should keep on pursuing their cooperation on the matters related to climate change in terms of reiterating their stand on the need for the developed countries to fulfill their long-pending commitments related to the United Nations Framework Convention on Climate Change (UNFCCC) principles of equity and Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC) in terms of technology transfer, funding and providing capacity building support to the developing countries, particularly with reference to the upcoming COP26 of the UNFCCC.
- Deeper IBSA cooperation in various areas such as advancing low or zero emission energy solutions such as renewable (solar, wind), hydrogen, bioenergy and biofuels can be further explored. The International Solar Alliance (ISA), established during the COP 21 of UNFCCC, can play a key role in promoting clean energy through decentralised and off-grid solar power. This mechanism should be leveraged by the IBSA countries towards climate-friendly clean energy transition.
- For effective pandemic response and to prepare WHO for future pandemics, there is a need for WHO to be more inclusive, responsive and effective. Towards pushing for the WHO reforms, the IBSA countries need to work together and provide the necessary leadership to the South and G77
- Being biodiversity-rich countries, the three IBSA countries should strive towards

developing a common stance on the issue of ensuring a fair and equitable Access and Benefit Sharing (ABS) mechanism within the CBD framework in light of the recent technological advancements such as Digital Sequence Information (DSI). IBSA countries should cooperate in pushing for an effective monitoring mechanism for dealing with the issues of utilization, provenance and traceability of the use of DSI.

- Furthermore, the IBSA countries should keep pushing for the review of Article 27. 3 (b). To check the misappropriation and bio-piracy, and to ensure traceability, there is a need to continue IBSA countries' coordination and cooperation towards developing a consensus for the 'Common Mandatory Disclosure Requirement' regarding genetic resources and associated traditional knowledge at the WTO TRIPS Council and at WIPO IGC.

Thrust on Inclusive Socio-Economic Development Paradigm in IBSA

- In line with the recommendations of the recently concluded seventh IBSA Academic Forum, there is a strong need to strengthen intra-IBSA cooperation for inclusive social development and furthering progress on SDGs. IBSA should support enhanced STI cooperation for providing a range of public goods in the areas of vaccination, medicines, telemedicine, research on neglected diseases, biodiversity conservation, etc.
- IBSA can build cooperation in the areas of vaccine research, supply chain management, procurement of raw materials, genome sequencing and data sharing to aid other developing countries in fighting against the pandemic. There is immense scope to leverage digital and as well as other STI applications for tackling common challenges including the SDGs. India can lead the efforts in sharing know-how for digital platforms, e.g. the Co-WIN platform.
- There is tremendous scope to enhance

cooperation in the field of digital health strategies as envisaged in Brazil and India in the light of the COVID-19 pandemic. Ayushman Bharat Digital Mission (ABDM) of India is a historic initiative of India to bring revolutionary transformation in providing healthcare facilities that can be a very important tool for several developing countries.

- The IBSA countries are committed to promoting inclusive and quality education for all children by 2030 and there is enough scope for academic research and collaboration in a number of new areas. IBSA should promote greater student and faculty exchange and dual/triple degrees in selected programmes.
- The ongoing IBSA Fellowship programme can be further expanded to promote greater people-to-people cooperation and to generate quality research outcomes that can strengthen IBSA cooperation in various sectors.
- There is scope to enhance cooperation in the field of technical and vocational education and training (TVET) and higher education through best practices available and exchange of knowledge and expertise. The role of digital technologies is critical for achieving high “quality and easily accessible education” among IBSA countries for promoting training, education, and skill development.
- The rapid rise of digitalization offers both opportunities and challenges for developing countries and IBSA countries can work together to reap the benefits of digitalization for their people. A common institutional architecture for digital development can be consolidated for delivering digital public goods (DPGs).
- The people-centric digital development experiences in IBSA can be shared for advancing SDGs and also aiding the development and delivery of services in other countries. Technology needs to be

effectively leveraged for fostering equity and inclusion and to enhance the resilience among vulnerable sections of society.

- With the increasing deployment of digital technologies, there is an immense scope for strengthening the Digital Economy in the respective IBSA countries. The rapid rise of digital technologies has been transforming social and economic activities and need to be leveraged for promoting financial inclusion.
- Besides delivering digital public goods for development, it is imperative for IBSA countries to forge a ‘digital collective’ for safeguarding cyberspace and articulating a Southern perspective on evolving norms and standards on cyber-security.
- Further, it is also imperative for IBSA countries to adopt new policies for entrepreneurial skills for the emerging workforce. The role of higher educational institutes in delivering the right kind of skills and technology for the future generations is the need of the hour to harness the benefits of 4th Industrial Revolution.
- IBSA should strengthen people-to-people mechanisms for exchange of ideas and cooperation on a wide range of cross-cutting socio-economic issues. The P2P initiatives should focus on strengthening cooperation on the empowerment of women and girls towards promoting gender-responsive growth and equality.

The India, Brazil & South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund): Reflections and New Vision

- The IBSA Fund’s focus on enhancing resilience against a host of societal and environmental challenges is also of great essence and the light of developmental priorities in the post-COVID scenario, the IBSA Fund should devote more focus on providing healthcare goods and services.

- The growing developmental priorities require that IBSA Fund adopts innovative financing strategies and places a strong emphasis on enhancing the quality of results across project portfolios. Improving the visibility of the development impact of IBSA Fund projects across the SDGs is vital towards strengthening the spirit of SSC and fostering more development partnerships in the Global South.
- The development agencies of IBSA countries such as the Brazilian Cooperation Agency (ABC), Brazil, Development Partnership Administration (DPA), India and South African Development Partnership Agency (SADPA) should initiate dialogue on a range of cooperation issues on mutual learnings including on management of the IBSA Fund. Further they can enter into collaborations with the UN agencies while retaining their independence to deliver localised solutions within SDG frameworks.
- Given the success of the fund's activities, it is only propitious that IBSA members consider increasing their annual contributions to the fund. It has already been recommended that the IBSA Fund builds synergies with other instruments like the African Union Development Agency-NEPAD (New Partnership for Africa's Development) which is working towards similar goals and objectives.
- The IBSA Fund's focus on a broad range of objectives across a large number of countries makes it imperative to undertake thorough monitoring and evaluation, evidence collection and learning at various stages of project conception, and implementation. It is thus essential that IBSA Fund projects entail effective monitoring, evaluation and learning and the lessons learnt from projects are shared across other trust funds and their implementation. IBSA should evolve its methodologies to evaluate the impact of IBSA Fund projects with further scope for third-party assessments. The IBSA Fund can build cooperation and linkages with research institutions and think-tanks to promote evidence-based research on its activities.

“The report is clear and timely, because the important work of this “trinity” often gets overshadowed by the focus on BRICS and/or G20 in international forms of reportage. Each chapter is well-delineated and provides up-to-date information”

Professor Ari Sitas
National Institute for the Humanities and Social Sciences (NIHSS)
South Africa

“The report is very comprehensive and is an important contribution to reinvigorating and strengthening IBSA.”

Professor Elizabeth Sidiropoulos
Chief Executive, South African Institute of International Affairs (SAIIA)
South Africa

“This is an excellent and timely report. It will certainly make a valuable contribution and hopefully revive broader interest in the continued work of IBSA.”

Dr Philani Mthembu
Executive Director, Institute for Global Dialogue (IGD)
South Africa

“This report sets the bar high and it would be important to carry forward IBSA with matching spirit!”

Professor Ivan Oliveira
Director of International Studies
Instituto de Pesquisa Econômica Aplicada (IPEA)
Brazil