

General Studies-2; Topic: Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests

BRICS Xiamen Declaration

1) Introduction

- The 9th BRICS Summit was held in Xiamen, China.
- The summit was reported as being forward-looking and focussed on healthy and stable India-China ties with talks about peace and tranquillity along their border.

2) Highlights

- **China promises \$80 million**
 - a. China promised to pitch in \$76 million for BRICS economic and technology cooperation plan and another \$4 million to New Development Bank (NDB).
- **Join hands to curb corruption**
 - a. Leaders agreed to "intensify dialogue and experience sharing for fighting corruption in BRICS countries".
 - b. International cooperation to fight corruption will be strengthened
- **MoU between NDB and BRICS Business Council**
 - a. The New Development Bank will now work closely with the BRICS Business Council to facilitate business and trade prospects in the bloc.
 - b. BRICS Business Council will suggest projects that need support from the New Development Bank.
- **Push to BRICS CRA**
 - a. India urged for setting up of a BRICS credit rating agency to counter western rating institutions
 - b. A separate rating agency would help the economies of the member countries as well as other developing nations.
- **Say no to protectionism**
 - a. BRICS leaders agreed to allow economic growth to be shared among the members of the bloc.
 - b. BRICS leaders emphasized the importance of an open and inclusive world economy enabling all countries and peoples to share the benefits of globalization
- **Clean energy for all**
 - a. BRICS Summit agreed to adopt environment friendly energy resources and technologies.
 - b. Need for Joint research on energy cooperation and energy efficiency and establish BRICS Energy Research Cooperation Platform.
- **Cooperation for agricultural development**
 - a. Deepen cooperation in areas such as adaptation of agriculture to climate change, agricultural technology cooperation and innovation, agricultural trade and investment, and ICT application in agriculture.
- **Blow to terrorism**
 - a. Member countries named Pakistan-based terror groups like Jaish-e-Mohammad, Lashkar-e-Taiba and the Haqqani Network in the declaration.
 - b. Those responsible for committing, organizing, or supporting terrorist acts must be held accountable.
- BRICS countries responded to North Korea issue by stating that the solution lies through advocating dialogue and not by use of force.

3) Significance

- The concern over Pakistan-based terror groups will double the diplomatic pressure on Pakistan.
- This is important from the Indian standpoint because both LeT and JeM continue to attack targets in India from their bases in Pakistan.
- This has been hailed as a major shift of China's policy of protecting Pakistan based groups.
- The contentious Belt and Road initiative was not spoken at the summit which can be seen as a victory for India.

4) Challenges

- China's plan for a "BRICS-Plus" or "Friends of BRICS" grouping, which includes Pakistan.
- Russia has moved closer to China and away from India
- The U.S.'s new Afghanistan policy creates a divide between Russia, China, Iran and Pakistan on one side, and India, U.S. and NATO allies on the other.
- BRICS now faces challenge not because of the West or the developed world, but because of growing differences between its two biggest members, India and China.

5) Way Forward

- The BRICS statement must translate into China removing its block on designating the JeM chief Masood Azhar at the U.N.
- A strong partnership among BRICS nations on innovation and digital economy can spur growth, promote transparency and support the sustainable development goals.
- Central banks of member nation need to strengthen their capabilities and promote cooperation between the Contingent Reserve Arrangement of the grouping and the IMF.
- The pressing global challenges can be effectively resolved with BRICS countries participation.
- Member countries must work closely with the International Solar Alliance to strengthen the solar energy agenda.
- Securing more clean energy funding, particularly in solar energy, from the NDB
- Need to accelerate cooperation in smart cities, urbanisation and disaster management.
- Need for India and China to increase cooperation on issues like river water (Brahmaputra) data sharing, entry of Indian pharmaceutical companies in China, etc.
- Peace and tranquillity in the border areas is a prerequisite for the further development of ties between India and China.