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BRICS and Africa Partnership – Promotion and Acceleration of Regional Integration through the African Continental Free Trade Area (AfCFTA)

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Director: Dr Dumisani Jantjies
Contributors: Dumisani Jantjies, Kagiso Mamabolo, Seeraj Mohamed, Sithembiso Mthimkhulu Nelia Orlandi, Lwazikazi Ntinzi, Mmapula Sekatane, and Sbusisiwe Sibeko

Coordinator: Ms Sbusisiwe Sibeko
Enquiries: ssibeko@parliament.gov.za

To obtain additional copies of this document, please contact:

Parliamentary Budget Office
4th Floor Parliament Towers
103-107 Plein Street
Parliament of the Republic of South Africa
Tel: +27 021 403 2360
Email: pboinfo@parliament.gov.za

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1. Executive Summary

In August 2023, the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa (BRICS) bloc met in South Africa for the XV BRICS Summit held under the theme: "*BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development and Inclusive Multilateralism*". UNCTAD recognises that in the years since the inaugural BRIC[1] summit of 2009, "the BRICS have seen their economic influence increase over the past decades as drivers of global growth, trade and investment".[2] With 42 per cent (more than 3 billion) of the world's population and more than a quarter of global GDP (US $27.6 trillion), BRICS is now viewed as one of the most significant economic blocs in the world.[3] While the BRICS bloc continues to be seen as an important and necessary player within the multilateral world order, African states have been working to create the largest global free-trade area in the form of AfCFTA, which seeks to connect "1.3 billion people across 55 countries with a GDP valued at US$3.4 trillion".[4] These two initiatives towards global economic integration have not been at odds, as the AfCFTA presents an opportunity to cement the partnership between BRICS and Africa.

The evidence is clear that there is a significant need for diversification in global trade as value-added products make up between 4 and 9 per cent of South Africa's exports to BRICS, while primary products such as coal, iron ores and manganese continue to dominate. Conversely, intra-African trade is 14.4 per cent of total African exports. A successful implementation of AfCFTA will thus have the potential to increase intra-Africa trade by more than 30 per cent while halving the trade deficit of the Africa continent.

The creation of a multilateral trade system after the 2nd World War was originally based upon a goal of fostering interdependence amongst economies to achieve peace and prosperity. In spite of this aim, there have been genuine, long-standing concerns that the global trading system and its financial architecture have taken such a form that they reinforce imbalances in power and the disproportionate influence of developed countries and their large corporations over the global economy.

The BRICS Plus-AfCFTA cooperation presents multiple opportunities to create the conditions, partnerships and support necessary for the economic development and progress of African countries. Indeed, global markets have changed significantly in the last couple of decades to present new challenges for emerging and developing countries, particularly following the COVID-19 pandemic. Through BRICS Plus-AfCFTA, the BRICS countries and African countries have the opportunity to work together to harness their combined market and production power at both the state and private sector level.

Today, global trade agreements and other internal economic agreements have been created in such a way that governments play a significant role in deciding whether or not to enter those international agreements. Meanwhile, national Parliaments are mainly restricted to ratifying such agreements. On the other hand, specific Parliamentary oversight is required in the light of the objective of the 2023 BRICS Parliament Forum to use this year's theme to ensure the African continent benefits from the participation of the BRICS members states. This oversight may include: a) ensuring proper human and institutional capacity to assess and

[1] South Africa was invited to join BRIC in 2010, changing the acronym for the bloc to BRICS.
[2] UNCTAD. 2023. BRICS Investment Report. Available [Online] https://unctad.org/publication/brics-investment-report
[3] UNCTAD. 2023. BRICS Investment Report. Available [Online] https://unctad.org/publication/brics-investment-report
[4] World Bank. 2023. The African Continental Free Trade Area https://www.worldbank.org/en/topic/trade/publication/the-african-continental-free-trade-area

oversee the international economic agreements, b) the insertion of requirements that governments provide socio-economic impact assessments and national interest analysis before signing international economic agreements, c) the necessity of governments to provide regular updates on the agreement outcomes, and d) that national Parliaments retain legislative powers to amend or review specific provisions within these international economic agreements.

2. Introduction

The BRICS bloc formed by the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China and the Republic of South Africa met in South Africa in August 2023 for the XVth BRICS Summit. The meeting was held under the following theme: "*BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development and Inclusive Multilateralism*". Since the inaugural BRIC[5] summit in 2009, the UNCTAD has confirmed that "the BRICS have seen their economic influence increase over the past decades, as drivers of global growth, trade and investment".[6] Having 42 per cent (more than 3 billion) of the world's population and representing more than a quarter of global GDP (US $27.6 trillion), the BRICS have come to constitute one of the most significant economic blocs in the world.[7]

While the BRICS bloc continues to be viewed as a significant and necessary player within the schema of multilateralism, African states have been working to create the largest free trade area in the world seeking to connect within AfCFTA (the African Continental Free Trade Area), "1.3 billion people across 55 countries with a combined gross domestic product (GDP) valued at US$3.4 trillion".[8] AfCFTA was established in 2018 with an explicit commitment to create a framework for substantive socioeconomic integration, seeking to improve economic cooperation in order to enable better trade, investment and the mobility of people and goods, while supporting enhanced industrialisation and the development of a range of economic sectors.[9] Presented as initiatives aimed at global economic integration, these two goals have not been at odds in presenting the AfCFTA as an opportunity to cement the partnership between BRICS and Africa.

The 2023 BRICS Johannesburg II Declaration states that the AfCFTA and BRICS cooperation "presents opportunities for the continent to transition away from its historic role as a commodity exporter towards higher productivity value addition".[10] Indeed, even before the institution of AfCFTA, the long been interested BRICS and its member states in strengthening their ties with African countries. For example, the theme of the fifth BRICS summit of 2013 was "BRICS and Africa – Partnerships for Integration and Industrialisation" with the goal being to unlock the potential for full cooperation between the BRICS and Africa. With value-added products making up between 4-9 per cent of South Africa's exports to BRICS, and primary products such as coal, iron ores and manganese dominating, there is a clear need for trade diversification.[11] However, UNCTAD showed that in 2021 intra-African trade was still low at 14.4 per cent of total African exports, estimating that AfCFTA could boost intra-African trade by about 33 per cent and cut the continent's trade deficit by 51 per cent.[12]

The purpose of this brief is to contribute to the current international discussion on economic integration and multilateralism, further highlighting the key opportunities for global economic development and multilateralism presented by the 'BRICS Plus' member states in their

[5] South Africa was invited to join BRIC in 2010, changing the acronym for the bloc to BRICS.
[6] UNCTAD. 2023. BRICS Investment Report. Available [Online] https://unctad.org/publication/brics-investment-report
[7] UNCTAD. 2023. BRICS Investment Report. Available [Online] https://unctad.org/publication/brics-investment-report
[8] World Bank. 2023. The African Continental Free Trade Area https://www.worldbank.org/en/topic/trade/publication/the-african-continental-free-trade-area
9 UNCTAD, 2023, Reaping the potential benefits of the African Continental Free Trade Area for inclusive growth
10 BRICS. 2023. BRICS XV Summit Johannesburg II Declaration. Available [Online]: https://brics2023.gov.za/2023/07/05/summit-declarations/
[11] The Department of Trade Industry and Competition, BRICS BENEFITS, Available: http://www.thedtic.gov.za/wp-content/uploads/BRICS-Benefits-to-South-Africa.pdf
12Grynspan, R. 2023. UNCTAD. New opportunities for accelerating Pan-African trade. https://unctad.org/news/blog-new-opportunities-accelerating-pan-african-trade

cooperation with the African Continent through AfCFTA. In this discussion, the brief reflects upon the role of Parliament and the use of other oversight mechanisms to supervise the economic integration and multilateralism driven by the Parliament of South Africa and the other Parliaments making up the BRICS Plus network.

3. Background: Economic Integration and Multilateralism

The process of national integration into the world economy has proven to be a powerful means for countries to promote economic growth, development and poverty reduction amongst other common goals. However, the current form taken by the global trading system and its financial architecture reflects a pronounced power imbalance expressed by the disproportionate influence over the global economy of developed countries and their large corporations. Although this imbalance continues in the global trading system and its financial architecture, these trend are rooted in the original Bretton-Woods arrangements. Nonetheless, in building an African continental trade agreement, cooperation amongst the BRICS countries may present a vital opportunity to begin the rectification of this imbalance in global power.

Over the past few decades, the global economy has undergone significant, accelerated liberalisation, globalisation and financialisation. One useful insight helping to comprehend how global production has been reorganised and market control reallocated emerges from an examination of the structure and operation of the global value chain (where different stages of production take place in different countries and continents). According to Gereffi and Fernandez (2011):

> *"[t]he global economy is increasingly structured around global value chains (GVCs) that account for a rising share of international trade, global GDP and employment. The evolution of GVCs in sectors as diverse as commodities, apparel, electronics, tourism and business service outsourcing has significant implications in terms of global trade, production and employment and how developing country firms, producers and workers are integrated into the global economy. GVCs link firms, workers and consumers around the world and often provide a stepping stone for firms and workers in developing countries to integrate into the global economy.*[13]"

Neo-liberal globalisation has made it possible for the huge multinational firms of developed nations to assert power over global value chains (GVCs) and gain influence over international markets through mergers, acquisitions and other forms of global corporate restructuring. Being predominantly organisations based in developed countries, the lead corporations in GVCs are well-positioned to extract a larger share of the profits generated from goods and services through their exertion of various forms of control over other firms in the value chain. Many developed country corporations have become financialised which, in part, entails that they depend upon a larger share of their revenues and profits coming from financial activities. Some non-financial corporations have subsequently been under pressure to maintain shareholder value in order to achieve lower costs and pursue short-term high returns. These organisations have not only reduced their levels of investment within their home countries but become increasingly dependent on offshoring and outsourcing production.

One important implication of these changes is that institutional investors and financial firms alike have been able to extract high returns through their influence if not ownership of the lead corporations in GVCs. In other words, many large corporations located in developed countries

13 Gereffi, Gary and Karina Fernandez-Stark (2011), "Global value chain analysis: A primer". Center on Globalization, Governance & Competitiveness, Duke University Durham, North Carolina, US

have reduced investment and employment within those same countries as much of the productive process occurs in developing countries. Nonetheless, in terms of global value chains, the shareholders in the lead firms located in developed countries are still able to realise high returns because these corporations now extract higher profits through this very control over GVCs.

These lead transnational corporations can utilise key mechanisms to maintain control over the engineering and design of products and intellectual property, as well as controlling the branding and marketing of the products emerging from the GVCs. These organisations thus benefit from inputs, intermediate products and assembly operations conducted by firms located in developing countries where cheap labour and raw materials are accessible. Such behaviour on the part of lead corporations has exacerbated and entrenched a division of labour across the world, particularly where these organisations have become financialised. Another consequence of corporate internationalisation is that less accumulation has occurred within these financialised nations which have seen fewer opportunities for industrial growth.

Moreover, a governance model of GVCs that facilitates financialisation within multiple value chains has enabled lead corporations to increase profits for their shareholders by asserting pressure on the suppliers and assembler companies within their GVCs. This division of labour has the effect of limiting the capacity of developing nations to engage in more value-added production, so generating greater profits and increasing their stock of intellectual property and worldwide brands. Moreover, the operations of global value chains, the new global division of labour and the financialisation of non-financial companies (NFCs) have been shaped significantly by this global corporate reorganisation.

In turn, global corporate restructuring and the globalisation of value chains has led to the domination of global value chains by the multinational corporations (MNCs) of the global North. An increased concentration of sectors and changes within the global division of labour has caused African countries to be relegated to the role of supplying primary products (we will return to this later). The current model of organisation and control over value chains has thus made it more and more difficult for smaller firms and developing countries alike to move up the value chain, particularly where governments have not paid adequate attention to industrial policy and associated policies in support of industrialisation.

The upshot is that the interests of developed countries have come to shape the acceleration of globalisation by focusing upon increased liberalisation and the integration of trade and financial markets, as well as maintaining closed borders in the face of migration. One important economic consequence of this type of neoliberal globalisation has been the emergence of significant global imbalances. Financial liberalisation on a national scale and the persistence of cross-border capital flows have both come to be associated with radical financialisation taking place alongside increased systemic financial risks and contagion. One example is the Latin America, banking sector where foreign banks have begun to dominate the local market after the state deregulated and privatised the industry in the early 1990s. The root cause of this problem was a general tendency towards liberalisation and reduced control of what were destabilising capital flows, and particularly short-term flows. As a consequence, between 1997-2002, foreign ownership of finance in Latin America expanded from 14 per cent to 66 per cent.[14] In a study of banking Foreign Direct Iinvestement(FDI) in Latin America,

[14] Bose, S. (2009). Banking FDI in Latin America: An Economic Coup. http://www.networkideas.org/focus/mar2005/Banking_FDI.pdf

Sunkanya Bose illustrates that the domination of foreign banks has had the following consequences:

> *"(a) stalled overall growth in credit with domestic banks also reducing loan exposure; (b) far greater financial instability during episodes of shock to the domestic economy; and (c) uncertainty and slow economic growth due to foreign banks acting as conduits for transmission of contagion and strategic decisions from parent banks onto developing markets."*

At the same time, global concentration of ownership and control of the internet, ecommerce, finance and both traditional and social media on the part of the largest corporations in developed countries has drawn attention to the extent to which these economic sectors are inadequately regulated. Broad concerns have arisen with regard to regulation not keeping up with technological and economic change. Corresponding situations have emerged where developing countries have had little say over who controls and exploits their citizens' data (and the protection of their citizens' privacy), while ecommerce and other internet-related activities have been inadequately taxed as prominent international business.

Although opportunities exist, significant future risks have arisen in association with innovation and technology within the space of the internet and digital media, including a rapid growth in artificial intelligence. Opportunities to improve education and small businesses will arise precisely because of access to these technologies. However, under the current model use of these tools is being shaped by giant corporations based in the north and intent on maintaining their market control and maximising shareholder value.

While the obstacles seem immense, emerging and developing markets still need to develop strategies enabling them to challenge the current global division of labour, so moving up the value chain in terms of their industrial and technological development. Such evolution requires organisations and institutions to be active in reshaping GVCs to support their socio-economic and development needs at a macro level, while the needs of their entrepreneurs, workers and consumers should be considered at the microeconomic level. It is crucial then that the contributions to the 2023 BRICS Plus Parliamentary Forum account for these background challenges and the current status of economic integration and multilateralism.

3.1. Multilateralism and regionalism

Since the end of World War II, concerted global efforts have been made to build a multilateral rule-based trading system. The creation of this multilateral trade system was then based on the goal of fostering interdependence between economies to achieve peace and prosperity.[15] The result was that in 1948 the General Agreement on Tariffs and Trade (GATT) hence came into effect with the intention of increasing multilateralism. The 23 countries involved in the initial conception sought to abolish trade barriers and to reduce tariffs. The initial agreements were dominated by developed countries who shaped conditions to favour themselves.

The World Trade Organization (WTO) was founded nearly 50 years later, essentially to serve as a successor to the GATT trading system. While both the WTO and the GATT were positioned to practice the non-discriminatory liberalisation of global trade, the trade rules adopted have only served to reproduced inequalities in the global economy by undermining the ability of developing nations to catch up with the North through the traditional development policies pursued by countries in the South, which is particularly evident in the agricultural sector.

[15] WTO, 2023, Re-Globalization for a Secure, Inclusive and Sustainable Future

In 2008, UNCTAD made the following statement, referring to African countries as "the biggest exporters of food commodities in the international markets. This is in large part due to heavy subsidies to their agriculture. In fact, the inability of developing countries to compete with the subsidised agriculture of developed countries has turned them into net importers of food produced in developed countries".[16] At the same time, the arguments was also made that the protection of the FDI rights of MNCs (multinational corporations) by the WTO disproportionately benefits these organisations and the richer countries in which they are located.[17] As tools of the WTO the National Treatment Clause, the Trade-Related Investment Measures (TRIMs) and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) are said to be particularly biased towards MNCs and the more developed economies of the global North. Such policies have enabled developed countries to maintain their dominance by ensuring that their corporations and the patents they hold are given special treatment and so protected from the smaller economies that may want to pursue developmental paths.

The COVID-19 pandemic has then brought to the fore some of the concerns that developing countries have raised within the current multilateral, rule-based trading system. The proposal of South Africa and India to waiver of the TRIPS in 2020 demonstrated the importance of reconsidering intellectual property barriers to ensure that countries are able to access life-saving COVID-19 vaccines and treatments, amongst other health technologies. Now as then, urgent calls have been made for these products "to be treated as global public goods, not as commodities to be manufactured, priced, and distributed at the whims of private profiteers".[18]

3.2. Unfair global financial system for developing countries

In a similar light, developing countries continue to raise concern about a lack of an inclusive multilateral financial system. The concern is that many developing countries find themselves highly indebted and unable to raise much needed financial support from the global financial architecture. This is in part, due to the fact that the global financial system failed to reform since it was created at the end of World War II. In particular, the global financial system was developed mainly to support advanced countries to developed their economies post the war.

These concerns have been echoed by the UN Secretary General António Guterres;[19]

> *"Today's poly-crises are compounding shocks on developing countries – in large part because of an unfair global financial system that is short-term, crisis-prone, and that further exacerbates inequalities:"*
>
> *"We need to massively scale up affordable long-term financing by aligning all financing flows to the SDGs and improving the terms of lending of multilateral development banks,"*

Some of the major flaws of the current global financial architecture include; a) outdated global taxation system that disables many developing countries to raise much needed tax

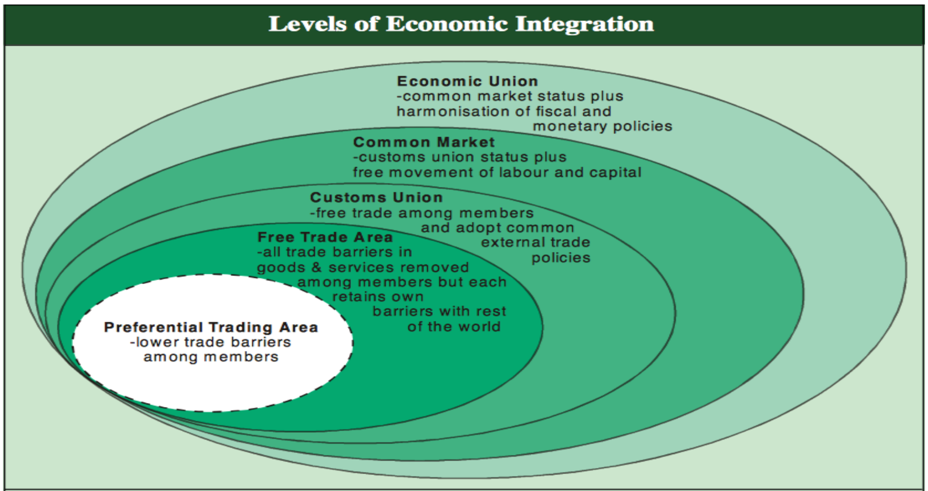
[16] Quoted in Desta MG (2016) Trade in Agricultural Products: Should developing countries give up on the WTO promise for a fair and market-oriented agricultural trading system? A historical and theoretical analysis. In: Bungenberg M, Hermann C, Krajewski M, Terhechte J (eds) European Yearbook of International Economic Law, volume 7. Springer, Heidelberg, p XXX–XXX
[17] Walker, A. (2011). The WTO has failed developing nations. https://www.theguardian.com/global-development/poverty-matters/2011/nov/14/wto-fails-developing-countries
[18] Hassan, F. (2022). A New and Weak WTO Deal on TRIPS is not Fit for Purpose. https://www.thinkglobalhealth.org/article/new-and-weak-wto-deal-trips-not-fit-purpose
[19]SG Policy Brief, 2021, Liquidity and Debt Solutions to Invest in the SDGs: The Time to Act is Now https://digitallibrary.un.org/record/3906921?ln=en
Our Common Agenda Policy Brief 6 Reforms to the International Financial Architecture

revenues, b) and inequalities related to developing countries to access much required financing due to;[20]

- higher borrowing costs for developing countries specifically
- underinvestment in global pandemic preparedness, and financing for climate actions
- access to liquidity in times of crisis, more so for African countries

Earlier in the year, the African High Level Working Group (including Finance Ministers from African Countries) on the Global Financial Architecture have outlined the tasks that must be implemented in support for transforming and reforming the global financial system including;[21] a) reducing finance costs of getting loans by Africa countries, b) special drawing rights to support more African countries than currently is the case; and c) increasing the poverty reduction and growth programs.

Moreover, within the context of regionalism concerns have been raised about the application of the Non-discrimination Law to ensure that these mechanisms operate effectively within the world trade system through customs unions and Free Trade Agreements (FTAs), and Preferential Trade Agreements (PTAs) amongst other arrangements.



Source: "Regional Trading Arrangements in the Context of the Multilateral Trading System in Asia", Linda Law June 2000.

The members' states belonging to BRICS Plus and AfCFTA are hence operating within the context of heightened controversy about existing levels of integration and the debate over how they should increase or deter multilateralism. The notion that regionalism and multilateralism constitute alternative trade policies has generated much discussion of which system should ultimately be applied. Although this dichotomizing debate has continued, some economists have argued that the issue is not of 'one system versus the other'. Within this context of a deeply problematic global framework for trade, the governments of developing countries have pushed back against developed countries through the application of strategies such as working within regional or international blocs to build partnerships that better serve their developmental needs. In many cases, the response of the US and Europe has been to pursue bilateral or plurilateral trade agreements.

[20] https://sdg.iisd.org/commentary/policy-briefs/reforming-financial-architecture-to-achieve-new-forms-of-cooperation/
[21] https://acetforafrica.org/news-and-media/press-releases/african-finance-ministers-demand-action-on-global-financial-architecture-reform/

4. 2023 BRICS Plus-

BRICS is an acronym representing the emerging market partnerships within the following group of developing countries; namely, the Federative Republic of Brazil, the Russian Federation, the Republic of India, the People's Republic of China, and the Republic of South Africa.[22] The earlier term 'BRIC; was coined by Goldman Sachs' economist, Jim O'Neill, in his 2001 published paper entitled "Building Better Global Economic BRICs".

To signal the onset of BRIC cooperation, Foreign Ministers from Brazil, Russia, India and China (BRIC) began meeting informally in 2006 on the margins of the United Nations General Assembly. The first formal meeting then took place in Yekaterinburg, Russia in June 2009, so upgrading BRIC cooperation to the Summit level. The intention of the ensuing summits was to improve economic conditions within these countries and to give leaders the opportunity to work in collaboration according to this agenda.[23] While attending their 2010 Foreign Ministers' meeting, the initial four BRIC countries also agreed to invite an African nation to their number. Subsequently, South Africa was invited and officially joined the BRIC bloc at the third Summit held in Sanya, China in 2011. The acronym BRICS was then adopted.

Although over 40 countries expressed an interest in joining the forum, only six were extended invitations during the 15th BRICs Summit, which took place in Johannesburg, South Africa in August 2023. The following countries were invited: the Argentine Republic, the Arab Republic of Egypt, the Federal Democratic Republic of Ethiopia, the Islamic Republic of Iran, the Kingdom of Saudi Arabia, and the United Arab Emirates. The BRICs membership of those countries listed above will take effect on 1st January 2024.[24] Since 2009, the BRICS leaders have convened 15 meetings.

4.1. BRICS: mandate

The BRICS was founded on the core principle of reshaping the political, economic and financial profile of the global landscape to ensure that it is fair, balanced and representative. Its three foundational pillars are as follows: political and security cooperation; economic and financial cooperation; and cultural and people-to-people cooperation.[25] It should be noted that the success of the BRICS association and their partnerships has hinged on the ability of member countries to enhance bilateral relationships and extend these synergies to the multilateral level.

4.2. New Development Bank

In 2012, following the Fourth BRICS Summit in Delhi, India, BRICS leaders instructed their Finance Ministers to explore the possibility of establishing a New Development Bank (NDB). The primary purpose of the NDB was to mobilise resources to fund infrastructure and sustainable development projects in BRICS and other developing countries and so complement existing global financial institutions.[26]

[22] Department of International Relations & Cooperation (DIRCO), Media Briefing by the Minister of International Relations and Cooperation, Dr Naledi Pandor, on South Africa's state of readiness to host the XV BRICS Summit, 2023, Available: https://www.dirco.gov.za/media-briefing-by-the-minister-of-international-relations-and-cooperation-dr-naledi-pandor-on-south-africas-state-of-readiness-to-host-the-xv-brics-summit-monday7-august-2023/.

[23] The Library of Congress, BRICS: Sources of Information, website: https://guides.loc.gov/brics

[24] Alexandra Sharp, Foreign Policy: BRICS Invites Six New Countries to Join the Bloc, 2023, Available: https://foreignpolicy.com/2023/08/24/brics-summit-expansion-new-members-china-russia-saudi-arabia-iran-uae-us/

[25] BRICS XV BRICS Summit Johannesburg II Declaration, 2023 BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development and Inclusive Multilateralism, Available: https://brics2023.gov.za/wp-content/uploads/2023/08/Jhb-II-Declaration-24-August-2023-1.pdf

[26] National Treasury, New Development Bank, Available: https://www.treasury.gov.za/brics/ndb.aspx

After a comprehensive feasibility study was conducted by a working group representing all of the BRICS countries, a resolution to create the New Development Bank (NDB) was reached and the decision to establish the Bank was made at the conclusion of the fifth BRICS Summit in 2013.

An agreement to establish the NDB was signed during the sixth BRICS Summit in Fortaleza, Brazil in 2014.[27] By July 2015, the NDB became operational with its main office situated in Shanghai, China. In 2018, the new Bank gained observer status at the UN General Assembly.[28] Since then, new members have joined the NDB, including the United Arab Emirates, the People's Republic of Bangladesh and the Arab Republic of Egypt.

NDB was founded with an authorised capital of US$100 billion and an initial subscribed capital of US$50 billion, with contributions distributed equally between the five founding members (US$10 billion each).[29] Since its establishment, the NDB has approved 96 projects totalling US$ 32.8 billion.[30] These projects span a whole range of sectors that include clean energy, urban development, environment, transport infrastructure, water resource management and sanitation, social and digital infrastructure, and COVID-19 emergency assistance.

4.3. Contingency Reserve Arrangement

In June 2012, Brazil proposed the creation of a BRICS contingent reserve pool and bilateral swap arrangement. Acting upon this proposal, BRICS leaders directed their Finance Ministers and Central Bank Governors to work on the proposal and present their findings at the 2013 BRICS Summit. The creation of a Contingency Reserve Arrangement (CRA) emerged from these discussions. The CRA was to serve as a precautionary measure to help the BRICS countries to forestall short-term liquidity challenges, provide mutual support and further strengthen financial stability. The CRA would also contribute to strengthening the global financial safety net alongside existing measures to stand as an example of increasing South-South cooperation.[31]

While the International Monetary Fund (IMF) traditionally provides support to countries in the event of balance of payment shocks, the increased occurrence of such events has paved the way for a complementary network of country insurance and lending instruments. In 2014, during the Sixth BRICS summit and as part of the Fortaleza Declaration, the BRICS countries signed a treaty to establish the CRA.[32] The total resources initially committed to the CRA were US$100 billion, with individual country commitments as follows: China, US$41 billion; Brazil, US$8 billion; Russia, US$18 billion; India, US$18 billion; and South Africa, US$5 billion.[33]

[27] New Development Bank, History, website: https://www.ndb.int/about-ndb/history/
[28] New Development Bank, Annual Report 2018, Available: https://www.ndb.int/wp-content/uploads/2019/07/NDB_AR2018.pdf (see page 16 of 122)
[29] Agreement on the New Development Bank – Fortaleza, July 15, Available: https://www.ndb.int/wp-content/uploads/2022/11/Agreement-on-the-New-Development-Bank.pdf
[30] New Development Bank, Projects, 2022, website: https://www.ndb.int/projects/
[31] The National Treasury, Contingent Reserve Arrangement, Available: https://www.treasury.gov.za/brics/crp.aspx
[32] 1. Parliamentary Monitoring Group, Presentation by National Treasury on BRICS New Development Bank and Contingent Reserve Arrangement, 2015, Available: https://static.pmg.org.za/150428BRICS_Bank.pdf | 2. National Treasury, Sixth BRICS Summit – Fortaleza Declaration, 2014.
[33] BRICS 2023, Treaty for the establishment of a BRICS contingent reserve arrangement. Available: https://brics2023.gov.za/wp-content/uploads/2023/07/Treaty-for-the-Establishment-of-a-BRICS-Contingent-Reserve-Arrangement-2014-07-15-2.pdf

5. Intra-BRICS trade (South Africa within BRICS)

Collectively, the BRICS countries account for 41 per cent of the global population, or an estimated 3.2 billion people covering 25 per cent of the earth's surface.[34] According to World Bank data, the combined BRICS GDP currently constitutes 26 per cent of global GDP[35] which, by 2040, is projected to reach 40 per cent of global GDP in terms of purchasing power parity.[36] Between 2017-2021, South Africa's total trade with its BRICS partners grew by 39 per cent. In particular, South Africa's total trade with BRICS reached US$74.5 billion in 2021, rising from US$53.5 billion in 2017. [37] Over 14 per cent of South Africa's exports now go to BRICS partners while in 2022, roughly 30 per cent of national imports originated from these countries.

Looking at the current intra-BRICS trade data from the standpoint of South Africa's economic framework, there is still a requirement for a greater balance of trade diversification within the BRICS bloc. Currently, value-added products make up between 4-9 per cent of South African exports to BRICS while primary products like coal, iron ores and manganese dominate.

South Africa's trade with Brazil: Although Brazil remains SA's largest trading partner in Latin America, total trade between the two countries has remained relatively small. Brazil is South Africa's third-largest BRICS trading partner with total bilateral trade reaching US$2.2 billion in 2021. The balance of trade has been consistently in favour of Brazil. Meanwhile, South Africa's exports to Brazil grew by 105 per cent (US$514.4 million) between 2017-2021. On the other hand, imports from Brazil decreased by 21 per cent (US$ 322.9 million) over same period.

South Africa's trade with Russia: Russia is South Africa's smallest trading partner within the BRICS bloc, registering a total bilateral trade of US$1.1 billion in 2021. The balance of trade has been consistently in favour of South Africa as their exports to Russia grew by 27 per cent (US$168.7 million) over 2017-2021, while imports from Russia increased by 68 per cent (US$ 138.4 million) over the same period.

South Africa's trade with India: after South Africa, India is the second-largest BRICS trading partner within the BRICS bloc, showing total bilateral trade of US$17.1 billion in 2021. However, the balance of trade has been consistently in favour of South Africa, whose exports to India grew by 61 per cent (US$4.2 billion) between 2017 and 2021, while imports from India increased by 47 per cent (US$ 1.9 billion) over the same period.

South Africa's trade with China: South Africa is China's largest trading partner in Africa. In turn, China is South Africa's largest trading partner within and outside of the BRICS bloc, with bilateral trade reaching US$54.1 billion in 2021. The trade balance currently favours South Africa, as South Africa's exports to China grew by 33 per cent (US$ 8.1 billion) over 2017-2021 while imports from China increased by 42 per cent (US$ 6.2 billion) over same period.

6. The African Continental Free Trade Area (AfCFTA)

The AfCFTA's mandate is to boost intra-Africa trade by 60 per cent by 2034 through the elimination or reduction tariffs and non-tariffs barriers to trade, so providing investors in the

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[34] PBO calculations complied using data from the World Population by Country 2023 data, Available: https://worldpopulationreview.com/. The World population (2023) = 8 005 176 000; Total BRICS population (2023) = 3 278 706 184. Therefore, BRICS as a proportion of world population = 41 per cent.

[35] PBO calculations complied using data from the World Bank, Gross domestic product 2022, Available: https://databankfiles.worldbank.org/public/ddpext_download/GDP.pdf

[36] The Department of Trade Industry and Competition, BRICS Benefits, Available: http://www.thedtic.gov.za/wp-content/uploads/BRICS-Benefits-to-South-Africa.pdf

[37] International Trade Centre, Trade Map: Bilateral trade between BRIC and South Africa, Available [Online] https://www.trademap.org/

AfCFTA states parties with access to an expanded market for goods and services across the continent. In this regard, the AfCFTA has created an economic bloc of 1.3 billion people with a combined domestic product of $3.4 trillion.[38]

6.1. Process and progress: Status update on developments

The AfCFTA free trade agreement focuses on the implementation and continuing phased negotiation of various commitments to reduce or eliminate tariffs. Prospectively, these commitments should include up to 97 per cent of all tariff lines, as well as non-tariff barriers to trade. Having come into force in March 2018, the AfCFTA agreement is to be supplemented by additional protocols on particular trade issues. Some of these protocols have been provisionally agreed to, while others remain subject to negotiation. As of September 2023, 47 of the anticipated 54 signatories had ratified the agreement.[39]

Although it came into force on 30th March 2018, the AfCFTA's initial implementation phase centred upon the trade in goods and services. Beginning in January 2021, its implementation has focused on lowering barriers to the trade in goods and services while establishing a dispute settlement mechanism. However, little trade has occurred under the agreement since it came into force due to the current ongoing negotiations about Rules of Origin (RoO) and the schedules of tariff concessions. In essence, the most significant parts of the AfCFTA remain under design overall or have yet to be implemented as some countries have yet to enact their AfCFTA commitments in their national legal codes. In addition, amongst other practical tools, the regulatory forms or online compliance systems that is necessary to implement AfCFTA have yet to be rolled out. The long-term goals of AfCFTA are to create a single market for goods, services and capital, including a single African customs union, while enabling the intraregional free movement of people.[40]

6.2. Intra-African trade

Trade within the African continent has grown only modestly in recent decades. Indeed, the increase in the trade in merchandise has been dominated by the expansion of trade in unprocessed merchandise and fuel. Meanwhile, the relatively modest position of manufacturing trade reflects the fragmentation of trade policy in the continent. Overall, the trade environment has constrained non-commodity trade to a greater extent within the continent and with the rest of the world. Accordingly, the composition of trade also reflects a lower level of integration into regional and global value chains. In addition, the trade in services has remained unchanged as a share of GDP.

There is an overall belief that expansive policies improve the trade policy landscape while the trade environment itself has the potential to foster significantly greater trade integration both within the continent and with the rest of the world, so increasing participation in regional and global value chains. The promise for Africa is that the continent is capable of making the scaling-up of trade and moving-up the value chain a key pillar of a successful growth lift-off strategy; one that will, over the coming decades, increase living standards significantly and provide employment via a rapidly growing labour force.[41]

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[38] Yusuf, M. 2023: African Leaders Meet to Push for AfCFTA Trade Agreement. VOA Africa

[39] IMF, 2023: Trade Integration in Africa: Unleashing the Continent's Potential in a Changing World. African Department (Series). Washington, DC

[40] Cook, N. & Wong, L. 2023: African Continental Free Trade Area (AfCFTA): Overview and Issues for Congress. Congressional Research Service (CRS). https://crsreports.congress.gov/

[41] IMF, 2023: Trade Integration in Africa: Unleashing the Continent's Potential in a Changing World. African Department (Series). Washington, DC

6.3. South African and Continental Trade

In 2022, South Africa's intra-African merchandise trade was valued at approximately US$40 billion, accounting for only 17 per cent of the country's total merchandise trade. South Africa's intra-African merchandise trade then increased by 13 per cent between 2021 and 2022. Being South Africa's four main trading partners in Africa, Mozambique, Botswana, Namibia and Zimbabwe account for 51 per cent of South Africa's intra-African merchandise trade. Meanwhile, South Africa's main intra-African trading partners are Southern African Customs Union (SACU*) and* Southern African Development Community (SADC) members, except for Nigeria.

In 2022, the value of South Africa's intra-African exports roughly totalled US$30 billion, accounting for 24 per cent of South Africa's total exports. Over 2021-2022, South Africa's intra-African exports then increased by 14 per cent. South Africa's main intra-African exports are light oils, bituminous coal, Ferro-chromium, chromium ores, electrical energy, goods vehicles and non-agglomerated iron ores. That being the case, Mozambique, Botswana, Namibia, Zimbabwe and Zambia are now the main destination markets for South Africa's intra-African exports, importing 67 per cent of South Africa's intra-African exports.

The value of South Africa's intra-African imports in 2022 was about US$10 billion, accounting for only 9 per cent of the country's total imports. South Africa's intra-African imports surged by 7 per cent between 2021 and 2022. The main intra-African imports for South Africa include petroleum oils, gold, natural gas, mixtures of odoriferous substances, electrical energy and non-industrial diamonds. In turn, the bulk (64 per cent) of South Africa's intra-African imports are sourced from Nigeria, Eswatini, Mozambique, Namibia and Botswana.[42]

Table 1 Top 10 Intra-African Exporters in 2021

S/N	Country	Export Value to Africa (USD billion)	Trade Balance (USD billion)	Share of Total Exports (%)
1	**South Africa**	$26.19 billion	$17.01 billion	21.2%
2	**Nigeria**	$6.07 billion	$4.69 billion	12.8%
3	**Egypt**	$4.74 billion	$3.37 billion	11.7%
4	**Zimbabwe**	$3.57 billion	$0.56 billion	59.2%
5	**Morocco**	$2.89 billion	$0.67 billion	7.9%
6	**Kenya**	$2.79 billion	$0.70 billion	41.3%
7	**Tanzania**	$2.51 billion	$1.26 billion	39.3%
8	**Zambia**	$2.16 billion	$1.02 billion	19.3%
9	**Senegal**	$1.97 billion	$0.77 billion	43.9%
10	**Eswatini**	$1.92 billion	$0.32 billion	92.9%

Source: ITC Trade Map Database, 2022

Table 1 shows that Africa's top three exporters in 2021 enjoyed significant trade surpluses. Eswatini, Zimbabwe, Senegal, Kenya and Tanzania then enjoyed the highest share of their total exports going to African markets. Of the ten countries, Zambia was the only one that imported more than it exported to other African countries.

[42] Tralac. 2023. South Africa: intra-African trade and tariff profile 2022. https://www.tralac.org/documents/publications/trade-data-analysis/4943-south-africa-intra-african-trade-and-tariff-profile-2022/file.html. TRALAC TRADE LAW CENTRE NPC

6.4. Successes and challenges of AfCFTA

- Ultimately, success in realising the desired outcome of the AfCFTA trade agreement will be dependent on the ability and political will of signatory countries to resolve the following issues through effective negotiation and implementation of their AfCFTA commitments:
    - Divergence between continental aspirations and national priorities may already have had a negative effect on the implementation of the AfCFTA, as evidenced by the delayed completion of the Rules of Origin negotiations
    - The growing complexity of the agreement will be confronted by the varying capacity of the national institutions with the mandate to implement it
- Significant gaps remain in trade facilitation measures, such as transport infrastructure and logistics
- It may also prove challenging to mobilise political and economic resources to facilitate trade on the continental, national and regional level
- Success will also be determined by the extent to which the private sector recognises and takes advantage of the benefits of AfCFTA
- A significant part of the financial and technical support for the AfCFTA comes from external partners
    - This source of support may present issues associated with sustainability and diverse interests
- With the AfCFTA, the global environment and geopolitics continue to intersect in external efforts towards establishing bilateral or plurilateral trade agreements with state parties
    - The volatile investment environment is also a challenge, given the immense capital needed to scale production in response to the AfCFTA.

7. Opportunities for BRICS Plus and AfCFTA

The 2023 BRICS Johannesburg II Declaration reiterates the significance of the partnership between BRICS Plus and Africa. In the Declaration, BRICS countries are said to "underscore that the AfCFTA is poised to create a predictable environment for investments, particularly in infrastructure development, and provides an opportunity to find synergies with partners on cooperation, trade and development on the African continent".[43] The countries are also said to "underline the importance of strengthening the partnership between BRICS and Africa to unlock mutually beneficial opportunities for increased trade, investment and infrastructure development".[44] Several opportunities have hence emerged in this partnership, and below we highlight some of the discussions on Africa and related agreements in past BRICS Summits.

[43] BRICS. 2023. BRICS XV Summit Johannesburg II Declaration. Available [Online]: https://brics2023.gov.za/2023/07/05/summit-declarations/
[44] BRICS. 2023. BRICS XV Summit Johannesburg II Declaration. Available [Online]: https://brics2023.gov.za/2023/07/05/summit-declarations/

Table 2 Africa highlights in BRICS Declarations

BRICS Summit	Declarations
III BRICS Summit Sanya Declaration	• Support for infrastructure development in Africa and its industrialisation within the framework of the New Partnership for Africa's Development (NEPAD).
IV BRICS Summit Delhi Declaration	• Cooperation moving forward to support their efforts to accelerate the diversification and modernisation of their economies. Successful partnerships will be achieved through infrastructure development, knowledge exchange and support for increased access to technology, enhanced capacity building, and investment in human capital, including within NEPAD
V BRICS Summit eThekwini Declaration	• BRICS Multilateral Infrastructure Co-Financing Agreement for Africa to pave the way for the establishment of co-financing arrangements for infrastructure projects across the African continent. • BRICS Multilateral Cooperation and Co-Financing Agreement for Sustainable Development is aimed at exploring the establishment of bilateral agreements to facilitate cooperation and co-financing arrangements, specifically around sustainable development and the green economy.
VI BRICS Summit Fortaleza Declaration	• New Development Bank (NDB) - intended to mobilise resources for infrastructure and sustainable development projects in BRICS and other developing economies. • Multilateral Cooperation Agreement on Innovation (MCAI) supporting projects that promote investments in technological innovation, infrastructure, sustainable energy and agribusiness.
VIII BRICS Summit Goa Declaration	• Progress in operationalising the Africa Regional Centre (ARC) of the NDB, which is the first regional office of the Bank.
X BRICS Summit Johannesburg Declaration	• Welcome the hosting of the BRICS-Africa Outreach and the second BRICS Plus Cooperation with Emerging Markets and Developing Countries (EMDCs) during the Johannesburg Summit.
XII BRICS Summit Moscow Declaration	• Reaffirm our readiness to develop further cooperation with the African continent, including strengthening its potential to address the interrelated issues of the impact on health and the socioeconomic effects of COVID-19.

Amongst the other issues facing African states, in their previous Declarations BRICS countries have consistently highlighted security issues alongside socio-political risks, the demands of UN participation and the need for a greater voice for African countries in multinational institutions. The BRICS countries have continuously reiterated their support for the AU's Agenda 2063 and their mutual interest in assisting the continent's development. Therefore, the list of declaration shown in Table 2 are not exhaustive. The following sections discuss other opportunities for BRICS Plus and AfCFTA.

7.1. Strategies for development

The BRICS forum was founded on the principles of "cooperation, leadership, and information-sharing". The forum thus presents an opportunity for member countries to glean insights from one another with regard to key issues such as navigating a debt crisis. Today, as a polycrisis rages globally, the BRICS forum has the potential to be a significant forum to create socioeconomic strategies. Through the Johannesburg II Declaration, the bloc has affirmed the significance of having a forum of this nature. It is stated therein that they

> *"believe that multilateral cooperation is essential to limit the risks stemming from geopolitical and geoeconomic fragmentation and intensify efforts on areas of mutual interest, including but not limited to, trade, poverty and hunger reduction, sustainable development, including access to energy, water and food, fuel, fertilizers, as well as mitigating and adapting to the impact of*

climate change, education, health as well as pandemic prevention, preparedness and response."

The COVID-19 pandemic demonstrated that global cooperation and solidarity are crucial to our collective well-being. As countries continue to deal with crises, forums such as the BRICS can serve as important structures for learning and support.

African states still require development policies that seek to diversify their economies, absorb new technology and innovate through real investment and the building up of productive capital stock. There is also a need to work against and, where possible, reverse the financialisation of these economies. Strategies to increase innovation through public investment in infrastructure and service provision systems can be discussed within the partnership, and practical lessons exchanged on how to implement industrial policies to support investment in manufacturing and services industries that support developmental goals and determine the allocation of finance towards productive purposes. Amongst others, such proposals emphasise the use of development finance institutions and the implementation of macroeconomic policies that support inclusive development and industrial diversity.

7.2. Global value chains (GVCs)

The covid-19 pandemic has worsened trade tensions, accelerated digitalisation and sped up the possibility of GVCs being re-calibrated. While global supply chain disruptions continue to hinder the recovery of GVCs, many countries are increasingly altering their GVC participation in order to find robust and sustainable global production networks. The most recent investment predictions point to a steady move toward regionalization and supply chain diversification in recognition that supply chain resilience influences where new investments are located.[45] The participation of African actors in GVCs centres on upstream production, entailing that African firms provide primary inputs to firms in countries further down the value chain.[46] However, being that SA countries are principally exporters of low value-added commodities, their situation within GVCs remains unfavourable.

Alongside trade instabilities, geopolitical events like war and natural disasters, and the disruptions to global supply chains (GSC) that intensified with the lock-down of economies owing to Covid-19 have certainly raised the stakes for discourse arguing for the need to diversify GSC. It is logical then that to the need to increase integration into the supply chain in Africa should be at the root of how the Continent can strengthen supply chain diversification into high-knowledge and technology-intensive sectors, for instance.[47]

> *"Africa has rich energy and mineral resources, such as lithium, graphite, cobalt, nickel, copper, and rare earth minerals—all of which provide new market opportunities for the green transition".*[48]

As indicated above, African countries can exploit these mineral sources to leverage and support industrialisation and move further up the value chain. As the UN's Five-point Plan for a Just Transition notes, what is required for enhanced industrial value is "increasing and diversifying renewable energy technology supply chains", which are currently "concentrated

[45] Siba, E. 2023. Value chains in Africa: what role for regional trade? https://oecd-development-matters.org/2022/02/22/value-chains-in-africa-what-role-for-regional-trade/
[46]Foster-McGregor, N, Kaulich, F and Stehrer, R. 2015. Global Value Chains in Africa. https://econpapers.repec.org/paper/unmunumer/2015024.htm
[47] UCTAD, 2023, The potential of Africa to Capture Tehcnology-Intensive Global Supply Chains
[48] Lee, S. 2022. Unpacking just transition: what is it and how can we achieve it in Africa? https://climatepromise.undp.org/news-and-stories/unpacking-just-transition-what-it-and-how-can-we-achieve-it-africa

in a handful of countries".[49] UNCTAD underlines that with its abundance in minerals and metals, Africa is an "attractive destination for manufacturing, as recent upheavals caused by trade turbulence, geopolitical events and economic uncertainty compel manufacturers to diversify their production locations".[50] Building GVCs that operate around this just transition may provide a significant catalyst for the structural transformation of African economies.

Through the use of technology, trade and industrial policies combined with appropriate development finance support, BRICS countries could set up and nurture internal value chains free of the negative financial motives and short-termism of financialised corporations and the shareholder value movement. If this initiative were to be adopted for the BRICS, then it could be expanded through the BRICS Plus countries and encompass AfCFTA cooperation.

7.3. Alternative financing

The BRICS have played a significant role in challenging existing international structures. Since their first summit, these nations have called for global economic reform to "create conditions for a more just world order". The purpose of the collaboration has thus been to develop an alternative to the domination of the Global North and its corporations. The BRICS bloc has advocated for less reliance on the dollar and a new global reserve currency that would be diversified, predictable and stable. After continuous resistance from the IMF, the need to give a greater voice to emerging powers has resulted in the creation of the NDB and CRA which has gained particular salience in making decision-making processes fairer, more balanced and just.[51] Hence, the BRICS Plus and AfCFTA collaboration has the potential to transform the power relations in the global trading system which otherwise benefit a global financial system dominated by the US. Although this system has developed to secure domination by the United States, it has increasingly produced global instability and systemic risk.

As per the VIth BRICS Summit Fortaleza Declaration, the NDB could also be expanded to expand financing to other African countries. The importance of the NDB lies in its potential to play an increased role in providing an alternative funding source for much-needed socioeconomic development projects, particularly within infrastructure. As noted in the section on the AfCFTA, infrastructure development remains a significant hurdle in materialising the agreement and enabling more trade between BRICS Plus and African countries. By expanding financing to other countries accompanied by a more just, balanced concept of conditionality, the NDB could also serve as a counter-balance to today's globalised neoliberal policy programs. In 2021, the NDB added the United Arab Emirates, Uruguay and Bangladesh as new members, with the President stating that they "will continue to expand the Bank's membership in a gradual and balanced manner".[52]

7.4. Curbing illicit financial flows

Over the years, net wealth and resources have left Africa due to deficiencies in both domestic and international tax rules and standards. Capital flight and the illicit export and concealment of wealth abroad have led to reductions in the tax bases. Every year an estimated $88.6 billion

[49] United Nations. Five ways to jump-start the renewable energy transition nowhttps://www.un.org/en/climatechange/raising-ambition/renewable-energy-transition
[50] UNCTAD. 2023. Africa's rise as a global supply chain force: UNCTAD reporthttps://unctad.org/news/africas-rise-global-supply-chain-force-unctad-report
[51] Merling, L & KRING, W. (2023). The International Monetary Fund and Quota Reform Background and Key Considerations.
[52] New Development Bank. 2021. Development bank established by BRICS welcomes the admission of UAE, Uruguay and Bangladesh as new members. https://www.ndb.int/news/ndb-initiates-membership-expansion-extends-global-outreach-development-bank-established-by-brics-welcomes-the-admission-of-uae-uruguay-and-bangladesh-as-new-members/

(3.7% of Africa's GDP) leaves the African continent as illicit capital flight, according to UNCTAD's Economic Development in Africa Report 2020. The BRICS Johannesburg II Declaration states that the countries "will enhance international cooperation through collaborative information-sharing networks, and mutual legal assistance to combat illicit financial flows, counter safe havens and support the investigation, prosecution and recovery of stolen assets subject to domestic laws and regulations of BRICS countries". In response, there needs to be more coordinated efforts to manage illicit capital flows, monitor the proceeds from illegal activities and corruption, and tackle money laundering and tax avoidance. Such measures can then be extended to other African countries to curb the high levels of illicit financial flows.

8. Oversight: Parliament and Economic Integration and Multilateralism

Encompassing the 2019-2024 Medium Term Strategic Framework (MTSF) and the second 5-year implementation plan of the National Development Plan, the NDP Vision 2030 presents the goal of a better Africa and more equitable world as a priority for the 2019-2024 period. Vision 2030 takes its lead from the government's move to stimulate regional integration and development in policy advocating for an economic diplomacy approach that focuses on expanding into key growth markets of Asia and Africa. However, while trade has grown with Asia, and China is now South Africa's biggest trade partner, general trade levels between Africa and Asia remain relatively low. The lack of regional integration and interconnected infrastructure has held trade back. Nonetheless, the African AfCFTA is a key area of focus and calls for renewed effort to strengthen inter-regional trade.

Indeed, specific outcomes with measurable targets have been set for the 2019-2024 period. In 2018, the first target sought to increase exports to the rest of the continent aiming at increasing Intra-Africa exports to 26 per cent, while the second sought to raise imports by 12 per cent of South African trade. With these targets in mind, a framework for trade in services in priority sectors needs to be established by the end of 2019-2024 MTSF period.

The 2019-2024 MTSF has also envisaged trade tariffs to be eliminated progressively, being reduced by 50 per cent over those five years. The Department of Trade Industry and Competition (DTIC) is responsible for these outputs which are monitored through Ministerial Performance Agreements derived from the interventions. For the benefit of the President, report cards on progress towards the targets have been used to assess the performance of Ministers, Deputy Ministers and Director Generals in the respective agreements. However, for Parliament to monitor progress with the implementation of the 2019-2024 MTSF (or for others to follow for the implementation of the NDP) through the current oversight mechanism, the MTSF need to be fully integrated into the standard mechanisms established for reporting on performance information.

8.1. Oversight of trade agreements

The South African Parliament has a consistent, established approach to trade agreement oversight that is rooted in the country' Constitution. According to Section 231(1) of the Constitution, the National Executive has the power to negotiate and sign all international agreements. Section 231(2) requires international agreements to be approved by Parliament before they are binding, which excludes technical, administrative or executive agreements, or those not requiring ratification or accession. Section 231(4) then requires that an international agreement must be enacted through national legislation to be law in South Africa.[53]

The Parliament Portfolio Committee on Trade and Industry has the authority to oversee trade agreements. The Committee is responsible for overseeing the negotiation process and considering trade agreements for ratification, while passing legislation to domesticate foreign commitments. Nonetheless, parliamentary oversight does not end with the ratification of the free trade agreements as the relevant committees continue to monitor the implementation of the agreement and its subsequent impact.[54] Compliance reports are periodically submitted to Parliament, while reviews can be initiated if the expected outcomes are not achieved or if adverse effects are observed. As part of its oversight role, the Committee also attends WTO ministerial conferences where its members have observer status. In doing so, Committee members are able to monitor and develop a technical understanding of the negotiating process and so engage with other parliamentarians to determine how best to strengthen oversight over trade agreements.

Although there has been significant progress in South Africa's oversight with regard to trade agreements, research suggests that there is still a need to:

a. Monitor the impact of existing trade agreements on the South African economy and employment
b. Strengthen the capacity of Members to engage in trade affairs
c. Improve integration between committees and in addressing the concerns raised by special parliamentary delegations
d. Strengthen public participation processes and oversight over trade agreements to enable input before beginning the process of executive negotiation

8.2. Specific Parliament oversight consideration- BRICS Plus

In recent years, the existing system of international economic governance has come under pressure, experiencing particular critical scrutiny as to whether the system has realised its objectives as they were set out more than 75 years ago to achieve peace and prosperity for all equitably. Many governments have entered into various economic agreements with the understanding that their countries will realise the clear economic benefits of economic and human developments, and jobs and others.

In fact, international economic governance systems and their architecture have been created in such a way to entail that governments play a significant role in decision-making, whether or not to enter to such agreements. Given their limited understanding of how these agreements will enhance their countries economic prosperities, the role of most Parliaments around the world has been delegated to ratification of these agreements. At the same time, the application of a monitoring and evaluation mechanism for Parliament has often formed part of the oversight of the executive's role in these agreements.

Nonetheless, insofar as Parliament's role continues to be limited, the AfCFTA will operate in a similar manner to many other international economic agreements and cooperation. In the light of the objective of the BRICS Parliament Forum to use the 2023 's theme to ensure the

[53] The Constitution of the Republic of South Africa. 1996. Available from: https://www.justice.gov.za/legislation/constitution/saconstitution-web-eng.pdf.
[54]Parliamentary Monitoring Group. 2019. International & regional trade agreements: status report. Available from: https://pmg.org.za/committee-meeting/27985/.

African continent benefits from the BRICS members states participations, the following proposals may be considered part of the Parliament oversight over the AfCFTA-

a. Ensure human and institutional capacity to consider and ratify international agreements

The BRICS Parliament Forum and AfCTFA will ensure that prior to signing a finalisation of international agreements, intentional capacity development programs operate for Members of Parliaments and Officials with regard to these agreements. This measure is mainly connected to the human and institutional capacity of legislatures, their capabilities and the time available to consider signed or ratifying the agreements. The legislature requires assurance of both the institutional and human knowledge and understanding of the content and implications of international agreements, and of AfCFTA in particular.

b. Socio-Economic Impact Assessment and National Interest Analysis

Parliaments and legislatures should consider developing a SEIAS and NIA mechanisms, or establishing the frameworks which would enable them to assess the international agreements prior to finalising them in the Houses. Various Parliaments are currently implementing these models, wherein their governments are required to table a national interest analysis together with any international agreement examined and needing ratification by Parliament. These jurisdictions include Australia, the USA and Canada.

c. Regular updates on the impacts and outcomes of the Agreements

Governments are generally required to provide Parliaments with oversight reports on a regular basis, including annual service delivery reports. These government reports to Parliaments have excluded specific updates on the outcomes of international agreements on the economy and public service delivery. It is arguably difficult to isolate the economic and service deliver activities which are directly related to international cooperation and agreements. Nonetheless, specific cases arise where such detailed reports may be possible; for example, tax revenue forgone as a result of doing away with trade tariffs or other taxes which may likely to be reported. As part of the conditions for ratifying international agreements like AfCFTA, Parliaments may thus request government to provide regular reports about the outcomes of the agreements on the economy and society. These regular reports (including implementing agreements or arrangements) may either concern requests by Parliament or, as per quarterly or annually, as soon as the agreement come into force.

d. Effective oversight on government. i.e. for International Agreements

Oversight of international agreements of cooperation like the AfCFTA should be an important part of Parliament's core oversight model. In this way, Parliament is in a position to assess or consider the agreements within the context of broader developmental objectives. Where possible when considering budget proposals, should international agreements necessarily be assessed in their potential to enhance budget outcomes? The oversight models might also establish criteria for ensuring that any significant international agreement committing state resources should always be of a form that requires Parliament to consent to them, rather than being written within a MOUs. By their nature, the MOUs require very limited, if any involvement at all from legislatures or Parliaments.

e. Powers to change, amend or reject specific provisions of international agreements

Parliaments have come under continual scrutiny for the effectiveness of their oversight with regard to service delivery and economic development. Many Parliaments have enacted legislation or drawn upon other powers to allow Parliaments to amend the budget and related money bills. In this vein, ratification, scrutiny or oversight over international agreements or cooperation should be applied in such a way that Parliament may set conditions to amend or reject the provisions of the agreement. Although many Parliaments on the African continent are yet to consider robust amendment or rejection of executive proposals, making such powers available would certainly ensure that the governments in question secure sound and implementable international agreements.

9. Conclusion

The BRICS Plus-AfCTA cooperation presents several opportunities to create the right conditions, partnerships and support for the economic development and progress of African countries. Global markets have changed significantly in the last couple of decades, presenting new challenges for emerging and developing countries, particularly after the COVID-19 pandemic. In addition to the pandemic, geopolitical tensions such as those between the USA, China and Russia over Taiwan and then Ukraine - and now, more recently, the coups in Africa - have worsened trade tensions, accelerated digitalisation and sped up the possibility of GVCs being re-calibrated.

Countries are increasingly altering their GVC participation because global supply chain disruptions continue to hinder the recovery of GVCs. These changes to the mode of participation have been conducted in an effort to find robust and sustainable global production networks. The most recent investment predictions predict a steady move toward regionalisation and supply chain diversification, with supply chain resilience influencing where to locate new investments.

In a mission to disrupt the existing status quo across global markets and the current operation of GVCs, the BRICS and African countries have the opportunity to work together to harness their combined market and production power through BRICS Plus-AfCFTA at both state and private sector level. BRICS countries have continuously re-affirmed their commitment to supporting Africa's development, emphasising the need for African countries to have a larger, more meaningful voice in the conversations led by global financial institutions. Therefore, a number of ongoing initiatives should not be taken for granted. The PBO has presented a series of opportunities that can further be explored: the development of global value chains; the curbing of illicit financial flows; and strategies for development and alternative financing. For both emerging and developing countries on the African continent and elsewhere, these interventions will play a critical role in mitigating the impact of the polycrisis, which means considering freedom from the perspective of less poverty, reducing inequality and building resilience to growing geopolitical and social risks and natural disasters, including pandemics.

As a member of both groups, South Africa will have an important role to play in the BRICS Plus-AfCFTA cooperation. It will also be vital that given their complexity, the appropriate oversight mechanisms should be applied to manage South Africa's participation in these important blocs bearing in mind South Africa's bilateral agreements and the context of WTO rules.