

Overview of the Roundtable “Environmental Conservation and Combating Climate Change: What Can BRICS Offer the World?”

On April 18, 2024, as part of the work of the BRICS Expert Council—Russia, the HSE University held a round table “Environmental Conservation and Combating Climate Change: What Can BRICS Offer the World?”. During the event, leading Russian experts in environmental economics and sustainable development presented their reports and comments.

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The roundtable was inaugurated by **Igor Makarov**, head of the School of World Economy at the HSE University. He highlighted that collaboration on environmental and climate change matters within the BRICS framework is being actively pursued, yet it cannot be asserted that a unified stance on this matter has been established among the BRICS countries thus far. Russia is interested in providing a new impetus to this area of cooperation. The objective of the event is to propose and discuss potential strategies that could be employed during the Russian BRICS Chairmanship in 2024.

The first presentation was delivered by **Sergey Bobylev**, head of the Environmental Economics Department at the MSU Faculty of Economics. He identified five principal factors that explain why BRICS is an environmental donor to the planet. Firstly, the BRICS countries are home to the largest areas of land undisturbed by economic activity. Secondly, the BRICS countries are also home to the world’s largest mass of forests, which has a considerable impact on the Earth’s climate system. Thirdly, of even greater significance is the fact that the BRICS countries possess extensive reserves of fresh water, which is undoubtedly one of the most crucial resources of the 21st century. Fourthly, the countries in question possess an extensive biodiversity. Additionally, the countries possess vast areas of wetlands that function as carbon sinks, which is a crucial factor in climate stabilization. Bobylev highlighted the necessity of establishing a unified platform for the harmonization of environmental interests among the BRICS countries. For instance, it would be advantageous to establish a unified set of criteria for evaluating sustainable and green development projects across the countries, as well as to align the development of green and sustainability bond markets. In conclusion, the speaker proposed the introduction of a system of compensation (payments) for ecosystem services in Russia and the unification of the efforts of the BRICS countries to capitalize on their environmental benefits.

Alexander Shestakov, an expert from the Lomonosov Moscow State University Marine Research Center, presented a report on the potential for collaboration between

the BRICS countries in the field of biodiversity. As a permanent participant in biodiversity negotiations, Shestakov concurred with Bobylev's assessment of the significance of ecosystem services, observing that this concept has increasingly come to be understood as "nature's contribution to human well-being." The expert observed that previous BRICS declarations had addressed the issue of biodiversity and that the latest declaration had three paragraphs devoted to this issue. The six BRICS members are megabiodiversity countries, making the issue of biodiversity protection a critical concern for them. The development and exchange of environmental technologies as well as capacity building in biodiversity science represent key areas of interest within the BRICS framework. The BRICS countries could benefit from the experience of the Like-Minded Megadiverse Countries (of which a number of BRICS countries are members, although Russia is not), which are highly active in international negotiations. It would be advantageous for the BRICS countries to establish a system of participation in negotiations with a unified position. To date, there has been only one small statement from the BRICS countries in the environmental sphere, which was made during the most recent United Nations Environment Assembly (UNEA).

In his report, Shestakov outlined the priorities of the BRICS countries' cooperation in the field of biodiversity. The initial objective is to secure a minimum of \$200 billion in funding for biodiversity protection from all sources by 2030. It is of critical importance for the BRICS countries to unite in international negotiations. In 2023, a new global biodiversity fund was established, which developing countries (including those belonging to the BRICS group) are relying on. Furthermore, the expert indicated that the BRICS countries are also seeking Russia's support for the fund's activities. Secondly, the question of establishing an international mechanism for the distribution of the benefits derived from the utilization of digital information on genetic sequences, which can be employed to finance biodiversity conservation, remains unresolved. Thirdly, the global objective is to achieve a protected area coverage of 30% of the total land and sea area by 2030. The BRICS countries have expressed interest in the practical aspects of the new concept of "effective area-based conservation measures." The development of biodiversity indicators and the implementation of mandatory reporting may also emerge as priorities for international collaboration, alongside the incremental integration of biodiversity considerations into sectoral plans, financial documents, the Environmental Impact Assessment (EIA) system, and other relevant domains.

The discussion on climate cooperation within the BRICS framework commenced with a presentation by **Sofia Litvinova**, deputy director of the Department of Multilateral Economic Cooperation and Special Projects of the Russian Ministry of Economic Development. She recalled that, as part of its BRICS chairmanship, Russia's objective is to reinforce climate cooperation within the BRICS framework and to elevate it to a standalone area of focus. The proposal to establish a Contact Group on Climate Change and Sustainable Development has been endorsed by all BRICS partners. Litvinova expressed her hope that the work in this direction will continue during the Brazilian chairmanship. It is anticipated that this platform will facilitate the exchange of expertise and best practices pertaining to low-carbon development, the implementation of climate projects, the development of carbon market infrastructure, green finance, and the

utilization of natural ecosystems to address climate challenges. The initiative places considerable emphasis on the development of scientific and expert cooperation with BRICS partners. Furthermore, Russia has put forth the proposal to establish a BRICS climate research platform. Similar initiatives have already been established in the fields of energy and technology. A further proposal from Russia is the establishment of the BRICS Partnership on Open Carbon Markets. The synchronization of the development of this partnership would be beneficial for all BRICS countries. Given the particular importance of climate change adaptation and adaptation planning for the BRICS countries, the partners were presented with an initiative to develop recommendations to stimulate the BRICS adaptation potential and criteria for adaptation projects. To date, an adaptation taxonomy has yet to be developed in Russia. The commencement of BRICS discussions on this topic could facilitate the advancement of Russian domestic regulation in this field.

The next report was presented by the moderator of the event, **Igor Makarov**. He posited that climate cooperation among the BRICS countries should become one of the priorities of the association. All the necessary prerequisites for this are in place. The BRICS countries are the largest emitters of greenhouse gases: taking into account new members, emissions account for more than half of the global total, and the share is constantly growing. The BRICS countries have common views on the global order, including on climate change. The BRICS countries do not possess the readily available straightforward solutions that are often proposed by developed countries (for example, divestment from fossil fuels). On the contrary, the BRICS countries recognize the intricate nature of the issue and acknowledge that efforts to combat climate change may simultaneously address other socio-economic challenges and, conversely, potentially impede the achievement of certain SDGs, such as those pertaining to poverty reduction. In conclusion, the BRICS countries are exporters of carbon-intensive products, thereby exporting emissions in their final products.

Furthermore, Makarov presented a number of potential avenues for collaboration between the BRICS countries. Firstly, a proposal was put forward to create in-house center of expertise (BRICS Climate Research Agency), which would be responsible for developing climate and energy scenarios and expert recommendations for the BRICS countries. At present, such work is conducted by the IEA (International Energy Agency) and the OECD (Organization for Economic Co-operation and Development). However, these studies are based primarily on the experience and interests of Western countries, and the priorities of the BRICS countries remain underrepresented. Secondly, Makarov proposed a transition to a system of emissions accounting that is based on consumption, in addition to the current system based on production. He also suggested that, on a voluntary basis, consumption-based emission targets could be integrated into the BRICS countries' national emission reduction targets. Further steps could include intensifying dialogue among countries on instruments to regulate consumption-based emissions and demanding the inclusion of consumption-based emission reduction targets in future climate agreements under the UN. Thirdly, it is crucial to facilitate collaboration on the development of carbon market infrastructure. The financial outlay required to reduce greenhouse gas emissions is significantly less in BRICS countries than in developed countries. The establishment of a unified carbon market system among the

BRICS countries could serve as an effective catalyst for the implementation of climate change initiatives within their respective territories. Fourthly, it is imperative that the principles of international climate cooperation, as espoused by the BRICS countries, be enshrined in a declaration by the BRICS leaders (or alternatively, in a separate declaration on climate issues). These include the principles of technological neutrality and the neutrality of climate policy instruments, the necessity of addressing the climate crisis without prejudice to other SDGs, the importance of fostering dialogue between exporters and importers of fossil fuels and carbon-intensive goods, the necessity of calculating emissions not only by production but also by consumption, and the imperative of countering protectionism under the pretext of climate policy. It is possible that the principles formulated by the BRICS countries could be incorporated into global documents at some point in the future.

The floor was then given to **Alexandra Khlebnova**, head of the Climate and Ecology of the International and Comparative Law Research Center. She commenced her address by recalling that the subject of climate change within BRICS has been a concern since the inception of the organization's activities. However, until recently, this domain has not been constituted as a discrete entity. This situation is a consequence of the disparate levels of advancement in the implementation of climate policy across the BRICS countries. Khlebnova observed that the principal work on climate change commenced following the COP26 in Glasgow (UN Climate Change Conference 2021). Furthermore, she posited that it is necessary for the BRICS countries to move beyond their historically conservative approach to climate change and to adopt a more proactive position within the association, which could then be disseminated on global platforms. The speaker highlighted the significant issue of mutual ignorance of carbon regulation among the BRICS countries. She expressed the hope that companies from these countries that are able to participate in existing and developing climate initiatives within the group will gain a deeper understanding of the opportunities presented by the BRICS markets. Such collaboration at the expert level within the BRICS framework could prove beneficial in this regard.

Evgeny Khilinsky, vice president – head of the Center for the Implementation of the Principles of Sustainable Development at Gazprombank, observed that some of the aforementioned initiatives and areas of cooperation are currently being discussed within the BRICS Business Council. In particular, he highlighted the importance of the voluntary carbon markets initiative, which aims to reduce barriers to the trade of carbon assets between countries. At present, the market is characterized by a high degree of fragmentation. To address this issue within the BRICS countries, Khilinsky put forth a three-stage approach: firstly, the harmonization of the regulatory framework; secondly, the formation of a pool of mutually recognized verifiers; and thirdly, the creation of a single registry of climate projects. Colleagues from China have indicated general agreement with this approach and are prepared to engage in further elaboration. However, colleagues from India have expressed concern that the BRICS climate project registry may replicate the mechanisms set forth in Article 6.4 of the Paris Agreement. Additionally, the expert indicated that within the BRICS Business Council, the Russian side will propose a unified approach to defining which projects can be considered transitional. It is likely that a unified concept (and potentially a taxonomy) of what

constitutes transitional financing within BRICS will emerge in the future. Once this concept has been approved, the logical subsequent step would be to designate transition finance as climate finance.

Sergey Sementsov, scientific supervisor of the Center for Sustainable Development of the VEB.RF Institute, commenced his presentation with the observation that the subject under discussion is less a matter of scientific inquiry and more an economic issue, given that it concerns the allocation of investments, the utilization of technologies, and the development and creation of new markets. The expert expressed skepticism about the feasibility of developing a unified taxonomy of climate projects in the BRICS countries, citing the existence of disparate national development agendas and unique national characteristics. Additionally, there is a distinction between developing and developed countries, primarily concerning the interpretation of the term “sustainable development” and its fundamental essence. The question thus arises as to whether the objective is to endure suffering or to develop. Sementsov observed that the European approach to sustainable development is characterized by an approach of “suffering,” and identified the primary objective as the mitigation of adverse effects associated with the transition to low-carbon development. Conversely, developing countries maintain that the new agenda should facilitate their advancement. In addition to noting this schism, the speaker also underscored that Europe adheres to the assertion that “climate is our everything,” whereas developing countries, on the contrary, consider sustainable development in a multifaceted manner, encompassing adaptation, mitigation, environmental, and social considerations. In conclusion, the expert endorsed the BRICS principle of technological neutrality. “It doesn’t matter what color the technology is: if it reduces CO₂ emissions, it is good.”

The subsequent report was presented by **Dmitry Chernyshev**, the vice president of the Saint Petersburg International Mercantile Exchange. Chernyshev asserted that, at the current juncture, the establishment of global standards and certification within the climate sphere is largely monopolized by developed countries. These standards are primarily oriented toward aligning with their unique circumstances and ideological prerequisites. Furthermore, standards and certifications are frequently employed as a competitive restriction in their respective markets. However, the BRICS countries are significant contributors to the production and distribution of a vast array of essential commodities. In specific markets, such as those for steel and aluminum, the BRICS countries are the dominant players, accounting for more than half of the supply and demand. Nevertheless, even in these markets, the BRICS countries are entirely reliant on standards, certifications, and pricing systems that are developed outside their borders. It is imperative that the BRICS countries enhance their influence on the processes of formulating the rules of international trade, while simultaneously considering their own interests. Presently, the BRICS countries maintain a disparate stance, which makes it simple for developed countries to advance their own agendas. BRICS countries need to act in a more consolidated manner. For example, the BRICS countries could spearhead the proposal of traceable supply chains for green products. It would also be advisable to establish a Green Goods Association, whose principal function would be to develop and approve methodologies for verifying the carbon footprint of products and to accredit

national companies as direct verifiers. Such certificates could become universally recognized documents confirming the carbon footprint of green products in cross-border and national trade.

Vladimir Drebensov, chief advisor to the general director of the Russian Energy Agency of the Ministry of Energy of the Russian Federation, identified two contentious issues that require consensus within the Russian expert community in the context of climate cooperation within the BRICS framework. The initial inquiry pertains to the necessity of integrating the various “natural” topics, including pollution, biodiversity, water, etc., with climate change? He is inclined to favor the “no” option, given that the primary focus of climate change mitigation is energy. The second question pertains to the necessity of harmonizing regulatory systems and developing common standards. The question thus arises as to whether the objective is to facilitate trade in carbon units within the BRICS framework or to develop a unified BRICS position on this issue in relations with third countries. In contrast to the G7, the BRICS is an artificially created association with no clearly defined economic, trade, or other basis. It is therefore crucial for the BRICS countries to adopt a unified stance and to engage in the negotiating process with this position in place. For instance, with respect to the calculation of emissions based on consumption, the pivotal matters pertain to the apportionment of responsibility for emissions and the associated financing. In order to address these issues, it is important for the BRICS countries to adopt a unified position. Therefore, it would be more advantageous for the BRICS to present a unified front externally than to develop internal relationships. In order to establish a unified position, it would be useful for the BRICS countries to develop common scenarios for energy transition, replacing the individual scenarios currently being developed by each member country. It is necessary to direct the efforts of all platforms created for cooperation within BRICS toward formalizing the converging interests into a common position that can be further promoted in international negotiations.

In his closing remarks, **Igor Makarov** observed that the BRICS countries possess the potential to establish a unified stance on environmental and climate change matters, including the formulation of an alternative proposal to the prevailing climate regime. However, for this to occur, it is imperative that the BRICS countries adopt a more proactive stance on climate and environmental issues. The ideas that emerged from this seminar can be used to build channels of interaction within BRICS in order to create a basis for such proactivity.

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