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# South-South and Triangular Cooperation in the Post-2015 Development Agenda





PRIME MINISTER GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH 3 Jaistha 1422 17 May 201 5

### Message

I am happy to know that Bangladesh is hosting the High-level Meeting on "South-South and Triangular Cooperation in the Post-2015 Development Agenda: Financing for Development in the South and Technology Transfer".

It certainly exemplifies our deeper engagement with the process of South-South and Triangular Cooperation. In the context of the current volatile global financial scenario and resource constraint, it is imperative to think about the alternative options of development financing cooperation from diverse sources at home and

South-South and Triangular Cooperation offers the South and the North to be more innovative and creative in harnessing the opportunity of development cooperation and build an effective framework to complement the traditional North-South cooperation.

Trade liberalization, sharing of knowledge, enhancing country capacity, addressing market failures, accessing international climate finance, transferring green-technology, ensuring food security, checking outbreak of contagious diseases, disaster management, counter terrorism and most importantly job creation could be the possible areas where the southern countries can cooperate under the spirit of this approach. The North can play a catalytic role in boosting cooperation in the new areas.

I hope the two-day meeting would be able to deliver the expected outcome, renew and bolster the existing development cooperation not only in the South, but also between the South and the North.

I would like to thank the UN Office of South-South Cooperation and UNDP, Bangladesh for being the partners of this meeting. I hope the delegates of the participating countries would have an enjoyable stay in this historic city of Dhaka.

I wish the meeting a grand success.

Joi Bangla, Joi Bangabandhu May Bangladesh Live Forever. SW INJON Sheikh Hasina









Message by H.E. Dr. A. K. Abdul Momen President of the UNGA High Level Committee on South-South Cooperation

Ambassador & Permanent Representative of Bangladesh to UN in New York on the occasion of the High Level Meeting on South-South & Triangular Cooperation 17-18 May 2015, Dhaka, Bangladesh

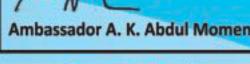
South-South cooperation is the broad framework for cooperation and collaboration among the countries of the South in political, economic, social, cultural, environmental and technological fields. In 2012, the countries of the South accounted for half of world's GDP which is projected to reach 60% by 2030. Statistics show that from 1990 to 2008, the volume of exports from developing countries grew consistently faster than exports from developed countries or the world as a whole. In the area of financial market, the South provides more than a third of global investments and the developing world is projected to account for more than half of total capital stock by 2030. Half of the world's economic output is produced in the global South, \$5 trillion are held in reserves in the South, and they account for 47% of global trade of which about half is South-South trade. Additionally, several countries of the global South have become economic powerhouses wielding significant influence. The South has also been developing technological capacity at affordable prices transforming traditional deficiencies into unprecedented new opportunities for development.

It is under this immense potential and prospect that Bangladesh, the current President of the United Nations High Level Committee on South-South Cooperation is organizing a High Level Meeting on South-South and Triangular Cooperation in Dhaka on 17-18 May 2015 in collaboration with the UNDP and the United Nations Office for South-South Cooperation (UNOSSC). This is the first time that Bangladesh is hosting a meeting of this kind at a time when the global leadership is organizing major multilateral events, for example, the Third International Conference on Financing for Development in Addis Ababa in July, the 2015 Summit on Post-2015 Development Agenda in New York in September, and the Climate Change Conference in Paris COP21 in November 2015. It is expected that the brainstorming sessions of the Dhaka meeting will feed into these highly important conferences.

South-South and Triangular Cooperation will play a key role in achieving the goals and targets that will be set by the global leaders in Addis Ababa, in New York and in Paris in 2015. The countries of the South have always played important role in the United Nations. A meeting on the specific issues of how South-South Cooperation can be more effective will definitely have a significant impact on the discussions in United Nations, leading into more substantive and tangible outcomes for the different international high level meetings this year.

To ensure that the South-South Cooperation is feasible and sustainable, the developed countries, i.e., the countries from the North can play the catalytic role, providing fund, technology both tangible and intangible. South-South Cooperation can become stronger when it has South-South and North triangular partnership.

I am hopeful that the Ministers and Senior Officials from countries of the South and the North as well as Senior Representatives from different UN Agencies and other International Organizations will provide substantive ecommendations that will help us in chartering the way forward in implementing the post 2015 development agenda; a pro-people, pro-planet, inclusive, equitable, peaceful and sustainable world for all. I wish success of this event.



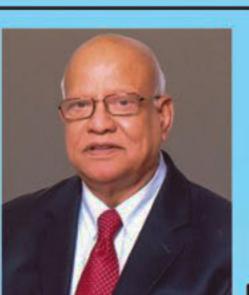
















I am deeply honored to have the opportunity of hosting this High-level Meeting on South-South and Triangular Cooperation in the Post 2015 Development Agenda: Financing for Development in the South and Technology Transfer at Dhaka, the capital and a historic city of Bangladesh. It manifests Bangladesh's firm commitment to the efforts towards promotion of South-South and Triangular Cooperation (SSTrC) across the globe. The meeting is taking place aiming to contribute to the 3rd International Conference on Financing for Development, consolidating the Post 2015 Development Agenda and other global initiatives particularly reforms of financial architecture for aligning broader perspective of development.

The impressive progress of the South, propelling global economic growth despite financial crisis in the developed region, has created a new window of opportunity for lifting hundreds of millions of people from poverty and improving their living conditions.

However, many challenges are ahead-financing gap for development, sharing knowledge, experience and technology transfer, confronting climate change and sustaining growth. I believe this High-level meeting will contribute in reshaping the framework further for robust cooperation and collaboration among the countries of the South in economic, social, cultural, environmental and technological fields.

It is a historic opportunity and choice for the South, at the juncture of important reforms that are being taken in global financial institutions, to build need-based new financial institutions that can support development agenda and spur inclusive global growth. These institutions should be crafted in such a way that suits the needs of the South best and at the same time complement the institutions of the North. Post 2015 Development Agenda also reinforces the need for such initiatives to bridge the financing gap and boost South-South and Triangular partnership

I hope this high-level meeting will lay the foundation of an institutional framework for periodic gathering of the Southern member countries. This hopefully will pave the way for creative policy initiatives in meeting resource gap by innovating alternative finances and effective means to leap-frog in technology adoption as well as adaptation.

(Abul Maal A. Muhith, MP) 2 5 15

# South-South and **Triangular Cooperation: Bangladesh Perspective**



South-South cooperation is a broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical areas. Involving two or more developing countries, it can take place on a bilateral, regional, sub-regional or interregional basis. Developing countries share knowledge, skills, expertise and resources to meet their development goals through concerted efforts. Traditional donor countries and multilateral organizations facilitate these initiatives through provision of funding, capacity development, technical and management support, system development, scientific research and development is referred to as the

Debt in the last two decades has become costlier both for debtor countries and their creditors. Despite provision of debt relief by international community, low-income countries find it challenging to preserve long-term debt sustainability. Despite recent successes in the MDGs, progress across the South has been uneven. More than two billion people still live in abject poverty. About 1.4 billion people, the majority in the South, still have no access to electricity, 900 million are without supply of clean water and 2.6 billion do not have adequate sanitation. In the face of this stark reality, South-South and triangular cooperation offers an alternative to balance growth with equity leading to shared prosperity, sustainable development and a life of dignity for all.

The South-South cooperation engages a wide range of partners, public and private sector, UN entities, multilateral bodies, civil society organizations and financial institutions in order to provide the most efficient, effective and comprehensive support for development. It attempts to address the critical development challenges through home grown development solutions. The process involves innovating, showcasing and transferring forward-thinking ideas, best practices and transforming the existing systems. South-South Cooperation is more than just the exchange of solutions; it is about the South taking ownership of its own development process by exploring new avenues for technical collaboration under the framework of North-South and Triangular partnership.

Phenomenal growth of South-South trade has surpassed the traditional North-South trade which has been possible through removing trade barriers, technological advancement, increased connectivity, dispersed production networks; less interference of non-trade issues such as human rights have also contributed to the growth of trade among the southern countries. The emerging economies particularly Brazil, China, India, South Korea, South Africa and Turkey, among others, have become major markets for LDCs exports. They are becoming the important providers of development assistance and key sources of FDI. However, LDCs' exports to the emerging countries are mostly primary commodities and investments from emerging economies are mainly in mining. There is a pressing need to diversify this trade. Nevertheless, emerging countries in the global south are constrained by their own development challenges in terms of less access to advanced technology, unstable capital markets, inefficient financial institutions and regulatory framework, weak governance and wrong policy which largely can be addressed by North-South cooperation. Therefore, South-South co-operation should not be perceived as a substitute of traditional North-South cooperation. The capacity or resource gaps of South-South Cooperation can be bridged by Triangular cooperation.

South-South flows of foreign direct investment (FDI) are on the rise. Developing countries now provide 33 per cent of global investments, and are projected by the World Bank to account for more than half of total capital stock by 2030. In 2012, overall global FDI declined by 18 per cent, whereas flows to the least developed countries, mostly in the South, rose by 20 per cent to a record \$26 billion.

Traditional donors continue to account for close to 95 per cent of official development assistance but the middle-income economies of the South have become outstanding sources of South-South development assistance estimated to be between \$12 billion and \$16 billion. Hence, South-South cooperation provides an important and effective framework as a complement to traditional North-South cooperation.

Despite these remarkable gains, however, the benefits of South-South cooperation are not evenly distributed across countries and sectors in the South. Close to 80 per cent of South-South trade is concentrated in East Asia. Increases in South-South financing are predominantly targeted at mines (coal, oil, gas) and the infrastructure necessary to export the extracted minerals. This is clearly not enough for a comprehensive development in the South, the newly established Asian Infrastructure Investment Bank (AIIB) and BRICS Bank are huge steps by the emerging economies towards financing the development needs of the South. While trade is growing among Southern countries, they continue to experience unique challenges in global markets. By sharing experiences on trade liberalization,

collectively addressing the supply side constraints and enhancing productive capacity the LDCs can well place themselves in global and regional value chains; take advantage of preferential access to developed markets; invest and participate in emerging growth industries of the South; and most importantly integrate the diverse views of the South into multilateral negotiations such as the Doha Development Round. Moreover, there is ample opportunity for South-South investment in pro-poor sectors, where productivity is generally low, but the potential for poverty reduction is high.

Facilitating the technology transfer through South-South Cooperation is another area of great importance which is expected to be discussed at the high-level meeting. Countries like China, India, Brazil and South Africa have achieved significant science and technological progress. The evolving South-South cooperation in science, technology and innovation between least developed countries and emerging economies has added critical value to the South-South co-operation. For example, the report of the Secretary-General on the state of South-South Cooperation noted in 2013 that an Indian drug company had invested in the pharmaceutical industry in Uganda, while Brazil had provided research and educational support to many African countries in science and technology. In 2011, Brazil announced plans to invest

> 2011-2020, need to be stepped up in the course of implementing the post-2015 development agenda. South-South cooperation is being practiced in Bangladesh and has a history of almost half a century. Islamic Development Bank (IDB) has been providing project aid and commercial credit to Bangladesh since 1976, OPEC Fund for International Development (OFID) has a fair economic operation in Bangladesh. Countries beyond OECD such as China, India, Kuwait, Saudi Arabia, and UAE are major bilateral contributors to the economic development of Bangladesh. Korea and Turkey are trade and economic partners of Bangladesh for a long time. China has a considerable presence in developing power, telecommunication, transport and other infrastructure of Bangladesh. India has extended US\$800 million Line of Credit for balance of payment and project support.

Moreover, India, China and Gulf States have a range of active humanitarian and emergency support during humanitarian crises.

Bangladesh is playing proactive role in the process of accelerating South Asian Preferential Trade regime under SAARC framework

South-South development cooperation has limitation in terms of up-scaling the southern initiatives. Lack of credible data and information on different aspects of South-South and Triangular cooperation is still a barrier in harnessing the expertise and experiences of developing countries. There are some other challenges that may inhibit South-South and Triangular Cooperation.







## Statement by Ms. Helen Clark

UNDP Administrator on the occasion of the High-Level Meeting on South-South and Triangular Co-operation in the Post-2015 Development Agenda: Financing for Development in the South and Technology Transfer 17-18 May 2015, Dhaka, Bangladesh

commend the Government of Bangladesh for convening this important High Level Meeting in partnership with UNDP and the United Nations Office for South-South Co-operation (UNOSSC), on South-South and Triangular Co-operation in the Post-2015 Development Agenda.

2015 is a critical year for development. In September the international community will define the post-2015

development agenda. The catalytic role and importance of South-South Co-operation in implementing the new agenda cannot be overstated. To achieve the Sustainable Development Goals, access to diverse sources of financing, knowledge, experiences, technology and innovation will be critical. To this end, South-South Co-operation is a significant driver of human and sustainable development, enabling experiences and solutions to be shared among developing countries regardless of their levels of development. As well, South-South and Triangular Co-operation exchanges are often particularly suited to addressing the challenges and realities that developing countries face. According to the most recent Report of the Secretary General on the 'State of South-South Co-operation', the volume

of South-South Co-operation has reached in 2011 between US\$16 - 19 billion - a clear demonstration of its value and benefits. But it is not only about the volume of money. South-South and Triangular Co-operation provide key mechanisms for exchanges of ideas, technologies, experiences, lessons, and solutions. South-South Co-operation is symbolic of the joined-up effort among nations for forging a shared future, where there is dignity and justice for all.

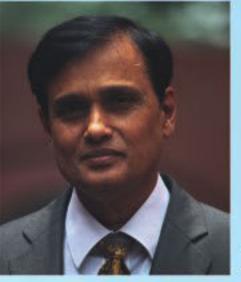
In its new Strategic Plan for 2014-2017, UNDP is committed to supporting countries to engage in and benefit from South-South and Triangular Co-operation, building on the roles it has long played as a knowledge broker, a builder of capacity and a facilitator of exchanges between countries. UNDP supports South-South Co-operation throughout the Asia-Pacific region and beyond through its universal presence in developing countries, and as the host of the UNOSSC. Our International Policy Centres in Brazil, Kenya, Republic of Korea, India, Norway, Singapore, and Turkey are helping to identify and disseminate knowledge and experience across the Global South. We are also working at the request of a number of development co-operation agencies in emerging economies to

support the strengthening of their institutional capacity. At the national level, UNDP supports countries to improve their national planning and budgeting systems for managing both inflows and outflows in the context of the increasing complexity of development finance and co-operation modalities. The need for attention to country systems was a key message which emerged from the Asia-Pacific regional consultation on Financing Effective Development Co-operation, hosted earlier this year by the Governments of Bangladesh, the Philippines, and Palau, and supported by UNDP.

I have no doubt that this meeting will provide substantive inputs for the important international and UN Summits and conferences which are taking place this year, and I look forward to hearing about the outcomes.

wish you all a very successful meeting.

Ms. Helen Clark



implementation of sustainable development goals.



Mohammad Mejbahuddin **Senior Secretary Economic Relations Division** Ministry of Finance Government of the People's Republic of Bangladesh

It is indeed a great honour for the Economic Relations Division, Ministry of Finance, Government of Bangladesh to host the High Level Meeting on "South South and Triangular Cooperation in the Post-2015 Development Agenda: Financing for Development and Technology Transfer. This High Level Meeting is expected to add voice of the southern countries to the upcoming global meeting on Financing for Development in Addis Ababa in July 2015 where decisions will be taken on resource mobilization for

Bangladesh has remained actively engaged with the South-South Cooperation that started almost 50 years ago. We strongly believe that such partnerships are mutually beneficial for all participants. For example, the spectacular growth of trade with the South underlines the huge potential of such form of cooperation. Trade growth has positive impacts on productivity, technological advancement, regional connectivity and modernization of financial system in the south as a whole. As a result, countries in the south are being able to attain multiple development goals including poverty reduction, improved health services and enhanced education enrolment.

We also acknowledge the potential threats to development challenges of the south especially the climate change. We do believe that by sharing experiences countries in the south could benefit from developing appropriate solutions development challenges. Bangladesh is eager to share her home grown development solutions and best practices with southern partners. Poverty reduction, near attainment of universal primary enrolment, food security, women's empowerment, girls education, near universal coverage of sanitation, enhanced child immunization, climate sensitive budgeting, using IT in public service delivery and financial inclusion, enhanced disaster preparedness are some of the success storied which we can share with the countries of the South. We also appreciate the potential of the framework of Triangular cooperation under which the traditional

development partners from the North can provide support in terms of smart technological solutions and financing to address the critical skill and resource gaps in the South.

Against this background the High Level Meeting in Dhaka emphasizes on exploring the alternative sources of financing as well as on technology transfers aligning with the means of implementation of the Post-2015 Development Agenda.

I hope the 2-days meeting would give us opportunity to explore in detail the avenues for accessing multiple sources of development financing. The Dhaka meeting is also expected to enrich the discussion at the 3rd international conference on Financing for Development to be held in Ethiopia this July. I welcome the participants to Dhaka and hope that their time spent here will be enjoyable and memorable.



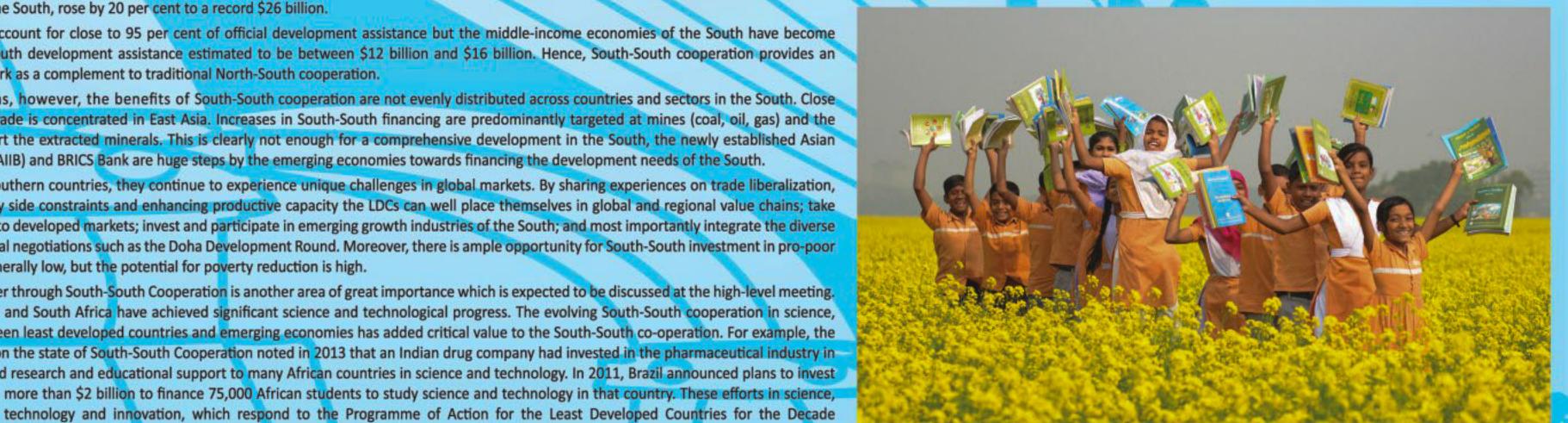
nternal security, regional conflicts, border issues, governance and management capacity.

Developing countries are sometimes afflicted with their national and regional geo-political interests driven by

romoting the South-South cooperation is of critical importance towards achieving sustainable development goals. It can play catalytic role to promote growth and help countries in the South to be resilient to economic, social and environmental shocks. Participants at the high-level meeting in Bangladesh will discuss the options of alternative financing for development and technology transfer under the framework of South-South Cooperation. The impact sessions on different thematic areas would allow the participants to sharpen their understanding and consolidate position in the debate to identify and make sure the means of implementation of Post-2015 development agenda. Along with innovative and creative ideas huge investment is needed in terms of finance and advanced technology in key sectors such as agriculture, health, infrastructure development, climate change and renewable energy. The South or the North – none can alone address the worldwide

development challenges including financial shocks which cause millions of people out of job and push

towards poverty. The universal nature of the post 2015 agenda reinforces the need of robust South-South and



Triangular partnerships to address the new emerging threats like climate change or outbreak of contagious diseases like Ebola virus in West Africa which caused colossal damage to the economies of the affected

The outcomes of the Bangladesh meeting will inform other international deliberations and related negotiations on financing South-South and Triangular initiatives and on the facilitation of South-South technology transfer in the post-2015 development agenda. It is also envisaged that the high-level meeting will lay the groundwork for the establishment of a forum to collectively plan the financing of transnational South-South initiatives and the enabling policy environment for technology transfer within the South-South approach.

Md. Ashadul Islam Additional Secretary Economic Relations Division Ministry of Finance



and BIMSTEC.





Resilient nations.