Some Preliminary Considerations on South-South Cooperation

By

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The view expressed are those of the author and do not necessarily reflect the views of UNCTAD
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Presentation to the Secretary-General’s Ad Hoc Expert Meeting UNLDC IV: Key Development Challenges Facing the LDCs

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Key Questions

• What is S-S cooperation?
• Why is S-S cooperation important for LDCs?
• Has S-S cooperation contributed to economic and social progress of LDCs during BPOA?
• How might S-S cooperation be included in UNLDC IV
What is S-S Cooperation? (in this presentation)

- Geographical scope
  - Regional
  - Inter-regional
- Functional scope
  - Trade linkages
  - Investment linkages
  - Migration
  - Official development finance
  - Technological cooperation
  - Interdependence of all the above
Why is S-S cooperation important for LDCs now?

- Increasing importance of large, industrializing developing countries as markets and sources of investment, finance and technology ("client diversification" Reisen)
- Resilience in the financial crisis
- New sources of official development finance (different from N-S aid – not “dead aid”?)
- New market access concessions (DFQF)
Has S-S Cooperation contributed to progress in LDCs under BPOA?

- No systematic study
- LDCR 2004. Share of exports of African LDCs to African ODCs 7-10 per cent of total exports from early 1980s; share of exports of Asian LDCs to developing Asia 38-41 per cent. “Asian LDCs may have been able to link into the growth processes of rapidly growing Asian newly industrializing economies”
- Investment linkages also important for Asian LDCs (the last flying geese)
- EDAR 2009. The share of manufactures in intra-African exports is 40 per cent. Intra-African contributed to structural change. [Other S-S trade reinforces commodity dependence, though positive terms of trade effect].
S-S cooperation and UNLDC IV

• Symbolic role of Istanbul
• SS cooperation is a major opportunity for LDCs
  – Technological upgrading in Asian LDCs
  – African LDCs joining the widening circle of Asian growth impulses N-S and S-S aid at national level)
• Importance of official development finance ("aid" management policies at recipient country level to integrate both N-S and S-S cooperation)
• Possible deliverables
  – Exchange of experience on what works
  – Technology transfer [who could finance a new initiative in financing enterprise innovation]
S-S cooperation and UNLDC IV

• Important not polarize LDCs versus other developing countries through special measures for LDCs

• Political and economic importance of solidarity between LDCs and other developing countries
  – LDCR 2004: “LDCs will not be able to get on the development ladder if other developing countries cannot move up it”
Thank You

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www.unctad.org/ldcr