



66TH SESSION OF THE TRADE AND DEVELOPMENT BOARD

25 June 2019, Geneva

**STATEMENT DELIVERED BY TOGO ON BEHALF OF THE
AFRICAN GROUP DURING THE HIGH LEVEL SEGMENT**

ITEM 2- D :

***South–South cooperation for trade, investment and
structural transformation***

**Mr. Chairman,
Excellences,**

Ladies and Gentlemen,

The African Group aligns itself with the statement of G77 and China and appreciates the background note prepared by the Secretariat for this item of the agenda and wishes to underscore that South-South Cooperation does not replace but complements other forms of cooperation especially towards the implementation of SDGs and the 2030 agendas.

In this regard, the Group reiterates the importance and relevance of the Nairobi Outcomes Document, which asserts that South-South Cooperation and its agenda must be set by countries of the South.

The Group further recalls the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries introducing South-South Cooperation under the impression that most developing countries are at similar stages of development.

The Group recognizes the significant contribution of regional trade and its ability to promote sustainable development. Thus, the Group welcomes the recent entry into force of the African Continental Free Trade Area that would be one of the largest regional Free Trade Areas (FTAs) in the world.

Mr. Chairman,

Total foreign direct investment from developing countries has grown significantly, accounting for 30 per cent of global flows with most of these investments going to other developing economies. Despite these important and growing South–South flows, developing countries still face an annual financing gap in the trillions of dollars to meet the Sustainable Development Goals. More can be and should be done to foster South-South investments to advance the Sustainable Development Goals.

Moreover, the Group concurs with the fact that South–South investment flows can also play an instrumental role in advancing the Sustainable Development Goals. For developing host economies, foreign direct investment from other developing countries can provide a broad range of potential sources of capital, technology and management skills, suggesting a greater likelihood of beneficial linkages and technology absorption. However, South–South foreign direct investment also carries risks, which include crowding-out effects, market dominance issues and, in some cases, lower labour and environmental standards. In some developing host countries mainly in Africa, these problems are exacerbated by the absence of an adequate regulatory framework.

To boost South–South investment and magnify its development impact, efforts need to be made by both home and host countries. Home countries can encourage and facilitate outward investment towards other developing economies.

Mr Chairman,

South-South cooperation is playing a greater role than ever before in the development cooperation landscape, as acknowledged in the Sustainable Development Goals (SDGs) Agenda, the African Union Agenda 2063 and the Addis Ababa Action Plan (AAAA).

In this connection, it's needed to ensure adequate balance and representation of Southern development priorities on the international stage. In Africa, new actors are beginning to shape the development cooperation agenda. New types of partnerships and forms of cooperation are growing in importance, both in terms of the volume of resources being dedicated to these new approaches, and their geographical reach.

To date, however, there is only limited information available about the approaches which have been taken, and the results which have been achieved. The Group is with the view that data about SSC in Africa has to be shared systematically, and to have a clear and complete idea of its scale, scope, results, and the lessons learned from existing experiences.

Mr Chairman,

In conclusion, the African Group believes that developing countries today face multiple interlinked macroeconomic, financial, climate, and development challenges. South-South cooperation is an important key element to face these challenges individually and collectively, and in multilateral North-South dialogue and global governance in order to make the most of vibrant South-South trade, finance, investment and technology for sustainable development.

Thank you for your attention.