Introduction by Mr. Yiping Zhou, Director of the United Nations Office for South-South Cooperation, to the Report of the Secretary-General on the State of South-South Cooperation to the Second Committee of the 68th session of the United Nations General Assembly
New York, 14 October 2013

Mr. President,
Distinguished Delegates,
Ladies and Gentlemen,

I am pleased to introduce the report of the Secretary-General on “The State of South-South cooperation” (A/68/212) – a similar report was also submitted to this Committee last year (A/67/208). The current report responds to General Assembly decision 67/227 in which it requested the Secretary-General to prepare a comprehensive report on the state of South-South cooperation for submission to its sixty-eighth session.

Over the review period, South-South cooperation has advanced on all fronts, according to the Secretary-General.

At the political and strategic levels, the Group of 77 and China remain the main force in articulating common positions of the South in major multilateral conferences and processes – particularly in setting the broad multilateral South-South cooperation agenda, in reiterating the fundamental principles and objectives of such cooperation, in charting the course for structural reform and the direction for institutional enhancement, as well as in advancing the post-2015 development agenda.

Brazil, the Russian Federation, India, China and South Africa (BRICS) have decided to establish the BRICS Development Bank, a BRICS Contingency Reserve Arrangement and a BRICS Business Council to help address the financial, infrastructure, energy and ICT needs of the South.

The High-level Committee for South-South Cooperation called upon the Secretary-General to provide concrete proposals on how the newly renamed United Nations Office for South-South Cooperation was to be strengthened to better serve its mandate of coordinating South-South cooperation system-wide.

The emergence of a number of developing countries as providers of development assistance has led member countries of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD) to engage more deeply through South-South policy frameworks and collaboration – respecting South-South principles of solidarity, equality, respect for sovereignty, non-interference in domestic affairs and mutual benefit.
On the **economic front**, South-South trade and finance exhibits considerable dynamism — 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. Trade in intra-South merchandise and manufactured products is at a historic high, exceeding such exports to the North.

About 56 per cent of exports from developing countries went to other developing countries in 2011, according to UNCTAD.

According to the World Bank, South-South cooperation has been one of the only positive aspects in the economic life of the 48 **least developed countries** over the review period. The LDCs received a record level of investment, with a few mineral-exporting countries receiving the most, while 20 other LDCs experienced a decline in FDI. However, South-South cooperation in science, technology and innovation between LDCs and emerging economies is rising — led by India and Brazil, among others.

The report took note of the **social issues and interactions** that are the backdrop for South-South trends. There is massive demographic change taking place — the poorest groups in the world will more than triple by 2100, increasing from 1.2 billion to 4.2 billion; there is a massive youth bulge in Africa; and most of Asia and Latin America face a dramatically aging population.

The report considered the implications of **environment and climate change** on South-South collaboration. During the period under review, intensive discussions and negotiations within and between the regions of the South resulted in the United Nations Conference on Sustainable Development outcome document entitled “The future we want” (General Assembly resolution 66/288, annex) — a comprehensive prescription for the future course of multilateral action on sustainable development which established poverty elimination as the indispensable requirement and highest challenge.

Another trend identified in the report is a new dynamism in regional and interregional South-South collaboration. For example:

- Between 2001 and 2011, total trade between African and BRIC countries grew from $22.9 billion to $267.9 billion.
- In the same period, total trade between African and OECD countries rose from $189.4 billion to $615.2 billion. BRIC-Africa total trade was 43.6 per cent of OECD-Africa total trade.
- Between 2001 and 2011, China-Africa trade grew from $10.8 billion to $166.2 billion.
- In the same period, total trade between India and Africa increased from $5.3 billion to $63.1 billion.
- The Community of Latin American and Caribbean States established formal links with China and India.
- IBSA entered into partnerships with several specialized agencies of the United Nations to manage their aid.
- In 2012, the Pacific Alliance, a new subregional organization comprising Chile, Colombia, Mexico and Peru, was created in Latin America. The Alliance members aim to increase their mutual trade and investment flows rapidly by taking down barriers to business.
- In July 2012, SAARC came up with an exhaustive list of recommendations to be included in a comprehensive study on strengthening its mechanisms.
Traditional donors have continued to support initiatives that involve one or more Southern providers of development cooperation:

- Latin America in particular has benefited from significant development assistance in such areas as sustainable development, economic governance and capacity development, through triangular partnerships with Canada, Germany, Italy, and others.
- Programmes supported by the European Union have been shaped by periodic EU-Latin American-Caribbean summit meetings.
- In 2012, the USAID launched a major effort to support African SMEs by moving 30 per cent of its funding towards fostering private sector-led development and nurturing innovative and high-impact public-private partnerships.
- Malaysia, through an innovative triangular “Third Country Training Programme” with JICA, is focused on the consolidation of peace for multicultural nations.
- JICA continues to be a champion of the triangular cooperation approach in the multilateral system. Its Asia-Africa Knowledge C-Creation Programme has grown steadily over the years. It is strengthening the Coalition for African Rice Development in an ambitious effort to double the rice production in Sub-Saharan Africa over the next five years.

Other traditional donor agencies like DIFD, AUAIMD, GMZ, NORAD and FK Norway, too, have stepped up their efforts in supporting various forms of triangular initiatives directly, which the current report is unable to capture due to unavailability of data to the Secretariat at the time of this report.

Mr. President,

The UN has begun to respond to the changing landscape. Over the review period, the organization:

- Renamed the Special Unit the UN Office for South-South Cooperation.
- It has taken note of the Secretary-General’s Framework of operational guidelines on United Nations support to South-South and triangular cooperation, and requested all relevant United Nations entities to implement the guidelines on an experimental basis.
- UNDP, FAO, ILO, UNIDO, UNEP and others have further mainstreamed their support to South-South cooperation by making such cooperation “core ways of working” within their future strategic plans, establishing global and regional centres of excellence or putting in place dedicated South-South knowledge exchange mechanisms.
- For the first time in May 2013, UNESCAP gathered five regional commissions together to share good practices and work collectively to further promote South-South cooperation.
- The UNOSSC has further institutionalized its 3-in-1 Multilateral South-South Support Architecture, effectively enabling national Directors-General for development cooperation and more than 25 UN organizations to pool the expertise, technical strengths as well as financial and human resources to support the global South-South agenda – a good example of the UN system thinking as one, acting as one and deliver as one for development.

Despite the surge in South-South exchanges, there remains work to be done to meet the needs of billions of people who still lack electricity, clean water, sanitation and many other essential goods and services.

The Secretary-General thus makes 6 concrete recommendations for consideration and decision by Member States:
(a) To strengthen multilateral South-South cooperation governance and its supporting architecture, by upgrading the composition and working arrangements of the High-level Committee on South-South Cooperation;

(b) To foster closer complementarities between traditional North-South and South-South cooperation;

(c) To boost multilateral forms of SSC through contributions to the UN Fund for SSC;

(d) To strengthen the existing institutions for the management of SSC and establish new mechanisms in order to better address the demands and aspirations of the South;

(e) To increase support for triangular cooperation, involving also civil society and the private sector;

(f) To strengthen the coherence and coordination of the UN system support to SSC by increasing the human and other resources to improve the effectiveness of the UNOSSC in order for it to better service the HLC and spur the implementation – by all relevant UN system organizations – of the Secretary-General’s framework of operational guidelines on United Nations system support to South-South and triangular cooperation.

Mr. President and distinguished delegates,

It is my hope that your deliberations will give serious consideration to the observations and suggestions offered in this report of the Secretary-General.

Thank you.

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