

**Eleventh Session of the Intergovernmental Follow-up and Coordination Committee on Economic Cooperation among Developing Countries (IFCC-XI), Havana, Cuba, 21-23 March 2005**

**Final Report**

*Recommendations on South-South Cooperation of the Working Group – I*

Having considered the progress made in the implementation of the provisions of Havana Programme of Action that relates to South-South Cooperation and those of the Marrakesh Framework for the implementation of South-South cooperation:

- Reaffirms the Havana Programme of Action adopted at the First South Summit, as basis for the strengthening of South-South Cooperation and in this regard, stresses the need to continue to implement all the recommendations contained in Chapter IV of the Havana Programme of Action;
  - Reaffirms, in this context, the recommendations of IFCC-X and Tehran Consensus;
  - Reaffirms also the Marrakech Framework of Implementation adopted at the High Level Conference of South-South Cooperation;
  - Stresses the importance of South-South Cooperation as a continuing process vital to confront the challenges faced by the South, and as a valuable contribution to development, while recognizing this cooperation as complementary to and not a substitute for North-South Cooperation;
  - Recognizes the need to further explore and develop the considerable potentials for South-South cooperation at the national, regional and international levels, as well as the expansion and replication, when appropriate, of existing successful experiences and models of cooperation among countries of the South, including triangular arrangements aimed at promoting actions of cooperation in this respect;
  - Reiterates the importance of strengthening the Special Unit for South-South Cooperation in order to be more responsive to the needs of developing countries;
  - Welcomes with appreciation the role-played by individual and groups of countries in making available funds and other types of support to enhance South-South Cooperation, in particular social and economic development of developing countries;
  - Concurs that while some achievements have been reached in the field of South-South Cooperation, much remains to be done:
- 1- Calls for the publication of an annual report on South-South Cooperation by the Special Unit for South-South Cooperation in consultation with the Chairman of G-77
  - 2- Invites the Chairman of G-77 in collaboration with UNCTAD and other relevant institutions to submit a study on new and dynamic sectors including services and creative industries
  - 3- Invites all the parties involved to conclude the Third Round of GSTP by 2006.
  - 4- Encourages the elaboration by the Member States of South-South arrangements /frameworks for sectoral cooperation
  - 5- Urges Member States to contribute to the expansion of PGTF and UN Trust Fund for South-South Cooperation.
  - 6- Calls for the convening of a South-South Forum on public and private partnership.
  - 7- Reiterates the need to further enhance and deepen the coordination between G-77 and the Non-Aligned Movement, through the JCC, with a view to strengthen and develop South-South Cooperation.
  - 8- Recommends for consideration in the preparation of the Second South Summit the issue of the G-77 Chamber of Commerce and Industry, including its mandate, performance and operating modalities, as well as its subsidiary bodies and invites the Chairman of the G-77 to submit relevant available documentation.
  - 9- Recommends for consideration the outcome document of the Doha Forum on Trade and Investment in the preparatory process of the Second South Summit.

- 10- Reiterates the need to strengthen the South Centre as the research centre and think tank of the countries of the South, and in this context recommends considerations of ways and means including those related to financial aspects aimed at the achievement of this objective.
- 11- Calls for the implementation of relevant recommendations related to South-South Cooperation contained in the report of the World Commission on the Social Dimension of Globalisation entitled “ A Fair Globalisation: Creating Opportunities for all”
- 12- Calls for the strengthening of the substantive capacity of the G-77 Secretariat (Office of the Chairman) through the payment by members of the Group of 77 on a regular basis and in a timely manner of their financial contributions including accumulated arrears in line with paragraph VI-2 of the Havana Programme of Action
- 13- Recognizes the inputs and assistance of UNCTAD to G77 and encourages its Secretariat to continue its substantive support to G77.
- 14- Recognises the assistance provided by the UNDP Special Unit for South-South Cooperation for the holding of the IFCC-XI.
- 15- Supports the enhancement of the United Nations Convention to Combat Desertification as a development tool to address poverty, desertification and drought issues.
- 16- Notes the deliberations of the 38<sup>th</sup> meeting of the Chairmen /Coordinators of the chapters of G-77 on the need to improve the coherence and harmony of the overall policy adopted by the Ministers of Finance and Ministers of Foreign Affairs regarding monetary and financial issues.
- 17- Establishes, in line with the Marrakesh decision, an open-ended Intergovernmental Study Group to hold a workshop in New York, on the Trade and Development Bank in May 2005, and to report to the Second South Summit in June 2005, in Doha, Qatar.
- 18- Recommends the implementation of the decision of the First South Summit on the need for the G-77 to strengthen cooperation in monetary and financial fields.
- 19- Reaffirms the relevance of the Action Committee on Raw Materials (ACRM), which was established at the sixth meeting of the Intergovernmental Follow-Up Coordination Committee on Economic Cooperation among Developing Countries held in Havana, Cuba from 7-12 Sept. 1987 and in this regard calls on member countries to support and participate in the activities of the ACRM. Further calls on member countries to take steps to strengthen the existing secretariat of the ACRM in Abuja, Nigeria through the provision of adequate financial and material resources. Also, further calls for the establishment of the Regional Raw Materials Information System for Africa (RMIS).
- 20- Welcomes the implementation of the South-South Healthcare Delivery Programme (SSHDP) with its headquarters in Abuja, Nigeria, which has produced positive results in recipient countries and calls for more cooperation and expansion of the donor as well as recipient base of the programme. Further calls for the strengthening of the secretariat of the SSHDP to enhance its effectiveness and qualitative service delivery.
- 21- Recommends for the consideration of the preparatory process of the Second South Summit the following issues: expansion of arrangements such as lines of credit to enhance South-South Trade as well as technical cooperation arrangements based on the practices of developing countries; greater coordination amongst the South institutions including through network linkages.
- 22- Emphasises the need to strengthen unity and solidarity among developing countries and calls for an urgent implementation of cooperation arrangements.
- 23- Stresses the need in line with the Havana Programme of Action to intensify bilateral, sub-regional and inter-regional cooperation among developing countries in all fields.
- 24- Requests the Chairman of G-77 assisted by the Member States, to provide background papers on the afore-mentioned proposals as appropriate for consideration by the Group.

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## *Recommendations by Working Group II*

The Working Group II considered recommendations by IFCC-X meeting in Tehran regarding concrete South-South projects and re-affirmed its guidelines for effective implementation by countries while undertaking South-South projects.

The following countries submitted their projects in writing to the Working Group:

### Cuba

- 1) Strengthening the Regional Capacity for Disasters Reduction through the integration of Risk Management Approach.
- 2) Government Proposal for the Fight against HIV/AIDS
- 3) Support for Thematic and Territorial Networks for Human Development.
- 4) Program of Literacy "Yo si puedo" "Yes I can"
- 5) Regional Training Centre on Sustainable Land Management.
- 6) Control of Land Degradation and Desertification processes in the insular Caribbean
- 7) Regional Training Center of Biosafety
- 8) Training Network for Trainers on Distant Education
- 9) South-South Cooperation for Contributing to Sustainable Development of Rice Production in Small-Scale Extension Productive Systems.
- 10) Contribution to the Food Security through the Development of the Urban Agriculture.
- 11) Restoration of Agro biodiversity Eroded by Situation of Natural Disasters
- 12) Information and Communication Technologies (ICTs) Observatory.
- 13) Community Institution to the Service to the Teaching of the Computer Science and Communications. (TICs)
- 14) Strengthening of the Regional Capacity from National Institute for Housing In the Caribbean at its Facing to Natural Disasters.

### Indonesia

- 1) Training on Development of Small and Medium Enterprises.
- 2) Training on Microfinance
- 3) Training on Application of Information for communication Technology

The Group heard a presentation by Indonesia on these three project proposals for implementation of which further cooperation from other countries was sought.

### Uruguay

- 1) An Uruguayan Experts Directory in Agricultural and livestock related activities.

### China

- 1) To Identify and Contribute towards the Removal of Barriers to Small Hydropower Development in Sub-Saharan Africa.
- 2) Promoting Dairy Processing of Southern Africa through High Value-added Dairy Product Programme.
- 3) Asia-Pacific Regional Cooperation on Edible Mushroom Technology

### Belize

- 1) Literacy Program
- 2) Child Protection
- 3) Water Resources

### Venezuela

- 1) Food Security

The delegation of El Salvador expressed the intention of its country to submit one draft

project proposal, namely on National Police Training and Strategy Regulatory Framework and Transit Police.

Jamaica also expressed its willingness to submit project outlines on Food Processing/Sugar Technology, and Different Sources of Energy, such as Oil and Gas Exploration, BioMass, Hydro, and Solar.

India briefed the meeting on its launching of several new initiatives such as: The Techno-Economic Approach for Africa-India Movement (TEAM-9); The Trilateral Commission of India, Brazil, and South Africa (IBSA); The Trust Fund within the UNDP for Poverty Alleviation, Indian Technical and Economic Cooperation, and Connectivity Mission in Africa. All these initiatives are open for the participants from all developing countries.

The working group also had a presentation by the UN resident coordinator in Cuba on the initiative for Innovative Integrated Triangular Partnership Approach to Community Development known as the ART Initiative.

The working group also heard a progress report from Nigeria on the implementation of the project on Action Committee on Raw Materials, which was established at the 6<sup>th</sup> meeting of the IFCC as well as the implementation of the South-South Healthcare Delivery Program, with its headquarters in Abuja, Nigeria. The Chairman of the G-77 was requested to arrange suitable dates for the second meeting of the Action Committee on Raw Materials to be convened as soon as possible. A request was also made that the establishment of the Regional Raw Material Information System for Africa would be included as one of the priority projects to be considered by the Second South Summit. These would require financial support as well as wider participation by developing countries.

In light of discussion in the working group the meeting decided to act in the following manner:

1. A compendium of all projects submitted to the IFCC-XI will be prepared and circulated by the Chairman of the G77 in New York, to all member states of the Group of 77. In this context delegations who have submitted project proposals are invited to update, where necessary, their projects by providing further details for their proper consideration in the working group.
2. Member States who have not submitted projects are invited to submit their project proposals as soon as possible and before the start of the Second South Summit.
3. The working group on South-South projects will re-convene in New York to review these projects.
4. All member states are invited to submit their views and interest to the proposed specific projects.
5. The working group at the level of experts in New York will prepare its own recommendations concerning these projects to the open ended working group in preparation of the South Summit.
6. UN institutions and other relevant sub-regional and regional organizations which will be involved in the implementation process of South-South projects will be invited to attend the meeting of the Expert Group in New York.

## *Summary of the Interactive Dialogue*

Madam Chairman, Distinguished Ministers and delegates.

I have the honor to present this report on behalf of Minister K.D. Knight who had to depart earlier this afternoon for urgent business in Jamaica.

1. The interactive dialogue was held in the plenary session on item 3 of the Agenda of IFCC XI entitled... "Means and Ways of Strengthening South-South Cooperation," Heads of Delegations participated in the interactive dialogue in a, frank and wide ranging debate that touched on almost every aspect of South-South cooperation. They recalled the long history and struggle and the contribution developing countries to promote the South-South cooperation as an important dimension in their development strategy.
2. All delegations agreed that the Havana Programme of Action and the Declaration adopted by the First South Summit in 2000 held here in Havana provided them with a solid foundation, with a vision, roadmap, and a strategy for promoting and strengthening South-South cooperation.
3. They reiterated the necessity for South-South cooperation in the face of the harsh international economic realities of today. Many delegations felt that the opportunity was right for imparting great dynamism and political will for South-South cooperation, as the south elaborates a new Development Agenda.
4. Several delegations pointed out that while South-South cooperation was a responsibility of the countries of the South, triangular cooperation was beneficial and that South-South cooperation was complementary and not a substitute for North-South cooperation. Some delegations were less than optimistic on the future of South-South cooperation in the light of an inclement international economic environment and the absence of an effective development agenda in the multilateral fora. Other delegations expressed a more optimistic view of the future, pointing out, that the share of developing countries in global trade and investment has been rising. However, they also stressed that success in pursuing cooperation would depend largely on the unity of the Group of 77 and focusing on concrete action for the implementation of outstanding commitments.
5. The debate also highlighted the changing perceptions in pursuing South-South cooperation. While previous logic of South-South cooperation was based largely on the need to widen markets on regional and sub-regional basis, the current emphasis was focused on enhancing the productive capacity of developing and their integration in the global economy. As a consequence the development agenda for South-South cooperation should be widened to include, in addition to trade and investment, the issues "*inter alia*" of debt, transfer of technology, health, knowledge sharing, commodity management and food security, affordable medicines, poverty eradication, education and literacy, human capacity building and disaster mitigation.
6. Delegations who intervened on the area of trade and investment noted the progress in trade among developing countries, and called for the strengthening of the GSTP and greater participation in the launching of the third round. They noted the significant increase in trade amongst developing countries in the past five years, with the changing quality of trade from raw materials to manufactures and the increase in volume and value. This trend was seen as encouraging and a source of optimism. They also noted that the increase in South-South investment by leading developing countries in other regions creating favorable conditions to market access.
7. They also warned against complacency in the face of a global system that lacks fairness and which is susceptible to political pressures and the imposition of unilateral extraterritorial coercive economic measures.

8. The decrease in ODA was noted and while emphasizing that South-South cooperation was not a substitute for North-South cooperation, it was appreciated that a number of countries have created funds for South-South cooperation and some major developing countries have cancelled some debts of highly indebted countries in Africa which was a step in the right direction.

9. Delegations also noted the existence of appropriate and adaptable technology in some developing countries that are amenable to transfer and that South-South collaboration between scientists resulted in major break through. However some speakers expressed disappointment that while platforms to share knowledge existed, developing countries did not necessary take advantage of facilities for that purpose.

10. South-South cooperation in the area of health was given high prominence and concern was expressed particularly with regard to the devastating impact of HIV AIDS. A number of countries volunteered to provide assistance in this regard, through provision of medical personal and affordable drugs. Delegations called for collaboration among pharmaceutical companies of developing countries, to fight the scourge of disease, and provide affordable medicines.

11. The issue of the vulnerability of developing counties particularly island countries to natural disasters such as hurricanes, earthquakes and storm surge, was a concern that deserved collective response. They called for cooperative action for early warning systems, awareness and mitigation measures to be adopted.

12. Several delegations and international organizations made a comparison in the situation between IFCC X and IFCC XI, and felt that a good number of South-South activities have performed well, with the support of the Office of the Chairman of G77, relevant UN institutions and member states that some centers of excellence in some regions had contributed to a positive trend in South-South cooperation. It was noted also that while the African region overall had been the least prosperous region in the South, it had made progress in efforts toward integration among sub-regional economic communities and that regional economic frameworks such as NEPAD had emerged and provided potential opportunities for cooperation.

13. In the debate many proposals were made for the promotion of South-South cooperation, through a more focused action oriented agenda for development, combined with systematic follow-up mechanisms and multi-stake holder partnerships. The role of UN institutions and organizations of the South was obviously appreciated; particular mention was made of the contribution of the South Centre, the UNDP Special Unit for South-South Cooperation and the work of UNCTAD. It was urged that the G77 should take an action interest in the appointment of the leadership to international bodies of special importance to developing countries.

14. In looking ahead delegations made a number of proposals for concrete action and initiatives that would strengthen South-South cooperation, ranging from consolidation and implementation of existing programs and plans of action to formulation of imaginative initiatives and suggestions for funding, for human resource development, and for collaboration and coordination among institutions of the South and the strengthening of institutional capacity. Such initiatives were presented to the two working groups that were established at the opening of the meeting of the IFCC XI.

15. All delegations who spoke referred to the forthcoming Second Summit of the Group of 77 in Doha, and the importance that Summit will play in the future of the Group of 77 and developing countries. They welcomed with high expectations the generous offer of Qatar to host the Second Summit, emphasizing that the Summit will be a unique opportunity also to prepare the Group for the Sept. 2005 UN Summit and that the Doha Summit would be able to set out the position of developing counties on development objectives, including the measures for the elimination of systematic inequities and for the elaboration of a set of "quick win" actions, for achievements of MDGs.

16. The institutional arrangements for South-South cooperation received major attention in the statements made by delegations. The strengthening of the institutions of the South, the networking of these institutions, and the capacity for exchange of information and experience and best practices was deemed as a vital component of South-South cooperation. Delegations also repeatedly emphasized the necessity to strengthen and support the Office of the Chairman of G77 to enable it to fulfill its mandate, including monitoring and coordinating the process of implementation of South-South cooperation and called for fulfillment of the financial obligations as decided to by the Heads of States at the first Summit in 2000.

Finally all delegations expressed their appreciation and gratitude to the people and Government and heroic people of Cuba for having generously hosted IFCC XI and the excellent facilities made available. Expressions of appreciation were also made to the delegation of Jamaica for its leadership of the Group of 77.