

High-level Meeting on “South-South and Triangular Cooperation in the Post-2015 Development Agenda: Financing for Development in the South and Technology Transfer”
17-18 May 2015, Dhaka, Bangladesh

Concept Note

The Government of Bangladesh, in partnership with the United Nations Office for South-South Cooperation and the United Nations Development Programme, will convene an important global meeting on 17-18 May 2015. The theme for the High-level meeting will be **“South-South and Triangular Cooperation in the Post-2015 Development Agenda: Financing for Development in the South and Technology Transfer”**, the event will bring together Government ministers, senior officials and practitioners both from the South and the North for discussions on how South-South and triangular cooperation could be better oriented towards the attainment of internationally agreed upon development goals today and in the years ahead.

Bangladesh will host the High-level meeting at a time when the country holds the Presidency of the High-level Committee on South-South Cooperation, the highest body in the United Nations for the promotion of South-South Cooperation. Sharing of knowledge, experiences and best practices in financing for development and technology transfer will be a key aim of this event towards the achievement of the post-2015 development goals.

The High-level meeting comes amid growing recognition that 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. South-South Cooperation is thus recognized as playing an important role in the sustainable development and resilience of Southern countries. In the economic sphere, flows of South-South trade, bolstered by trade liberalization, technological advancement, increased connectivity and dispersed production networks, have recently surpassed North-South flows. About 56 per cent of exports from developing countries went to other developing countries in 2011. The share of the most heavily exported manufactured products from developing countries amounted to more than 60 per cent of the world total for 2010 and 2011.

South-South flows of foreign direct investment (FDI) are on the rise and, in addition to capital, account for technology and skills transfers to recipient countries across the South. 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 from 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. The increases in South-South financing are predominantly targeted at mines, oil wells and the infrastructure necessary to export the extracted minerals. Numerous tools and examples of South-South Cooperation remain underutilized, and South-South investments have yet to provide the support necessary to create a useful supplement to traditional North-South assistance. Additionally, non-traditional donors such as private sector foundations represent a significant and largely untapped resource in financing all spheres of development.

While trade is growing among Southern countries, they continue to experience unique challenges in global markets. Sharing experiences in trade liberalization, addressing supply side constraints and increasing productive capacity can provide strategic insights into issues such as: positioning in global and regional value chains; taking advantage of preferential access to developed markets; investment and participation in emerging growth industries of the South; and most importantly integrating 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 and potential for poverty reduction is significant.

As the international community sets the development agenda for the coming decade, the Government of Bangladesh aims to spur inclusive debate among Southern policymakers, development practitioners from the South as well as from the North, and their partners in civil society and the private sector. Central to the high-level meeting will be discussions on the subject of financing development programmes within the framework of South-South cooperation.

The panelists leading the discussion will be invited to identify and share information on arrangements or mechanisms that have proven to work in the provision of predictable financing of South-South development initiatives. Particular emphasis will be placed on the funding of programmes to complete the unfinished business of meeting the Millennium Development Goals and the priority South-South initiatives to be undertaken at the start of implementing the Sustainable Development Goals, once they have been adopted by United Nations Member States later in 2015. Participants from both North and South are expected to identify areas where, and ways how, Northern partners can come in to provide financing for development programmes of the South. Effective triangular cooperation can play transformative role in implementing the Post 2015 Development Agenda, and this meeting will go a long way in creating those critical partnerships.

South-South cooperation in the facilitation of technology transfer is another area of great importance that will be discussed at the high-level meeting. As a number of countries in the South have achieved significant scientific progress, evolving South-South cooperation in science, technology and innovation between least developed countries and emerging economies needs to be enhanced. 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 more than \$2 billion to finance 75,000 African students to study science and technology in that country. These efforts in science, technology and innovation, which respond to the Programme of Action for the Least Developed Countries for the Decade 2011-2020, need to be stepped up in the course of implementing the post-2015 development agenda. That China and India are becoming significant sources of environmentally friendly technologies for countries of the South and the North shows that there is immense potential for South-South collaboration on sustainable development aided by scientific and technological know-how.

Harnessing this potential is of critical importance to sustainable development, growth and resilience to economic, social and environmental shocks. Participants at the high-level meeting in Bangladesh will discuss the framework to promote South-South collaboration on science, technology and innovation with a view to exchanging experiences in policymaking and applying technology in key sectors such as agriculture, health, infrastructure development, climate change and renewable energy. Scaling up innovations will be discussed as a key driver of more effective South-South Cooperation.

The universal nature of the post 2015 agenda reinforces the need for the Bangladesh meeting to work towards more robust triangular partnerships whose effectiveness has been recently demonstrated through the collaborative efforts of Cuba, Uganda, the United States and other developed and developing states in the provision of assistance to Ebola affected countries in West Africa.

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 that would regularly bring Southern ministers of finance together to collectively plan the financing of transnational South-South initiatives and the enabling policy environment for technology transfer within the South.