

Negotiations for a productive cooperation

South – South cooperation initiatives
between Asia, Latin America and Africa

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South-South cooperation : focus
Agenda 2030: Sustainable Development Goals (SDG) 17

A bottom –up approach;
Negotiations : key for successful cooperation

Plan of the presentation

- . The importance of negotiations
- . The UN Agenda (2030) for Sustainable Development
- . South-South (SS) and Triangular Cooperation
- . Cooperation through the eyes of Latin America
- . Latin American – African relations
- . Towards the African Continental Free Trade Area (CFTA)
- . Asian cooperation and the Belt and Road Initiative
- . New development partners
- . Financing the Agenda 2030

Negotiations: why so important?

Key principles:

*Host countries must have full **ownership** of their development programs. A South-South project should be “requested by the host country, led by the host country, and co-constructed by the host country.” Both providers and hosts are on equal footing, and either one of them can say no ((Addis Ababa Action Agenda).*

Negotiations for a productive cooperation

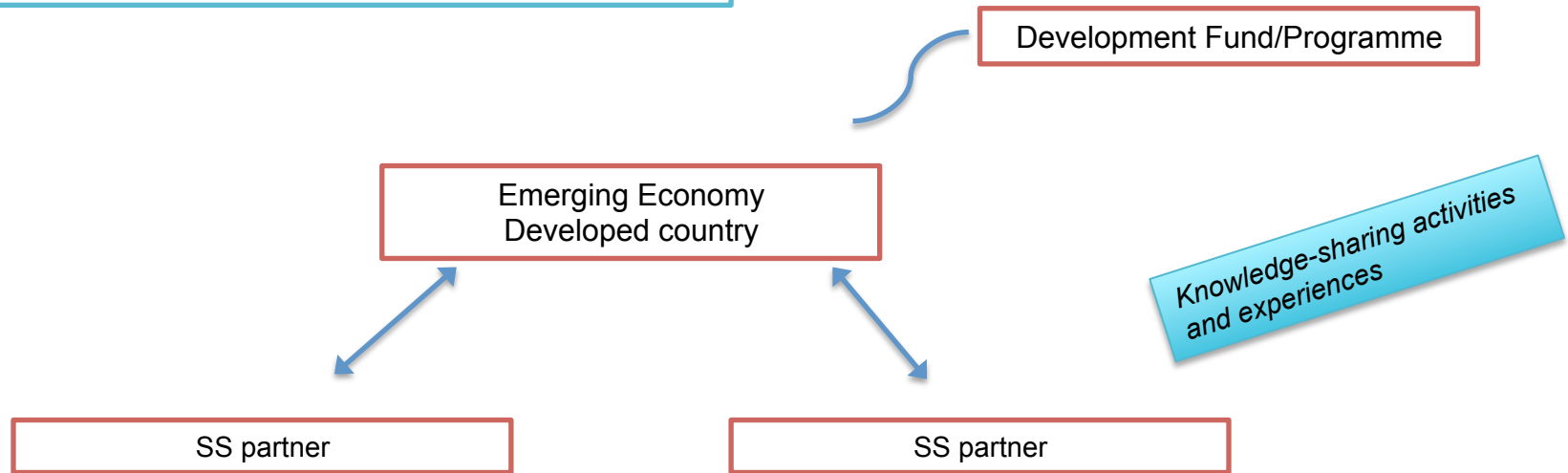
- Consolidate heterogeneous positions, endorsement of high-political level, public consultation to seek broad-based support for the position. Avoid a *silo* approach
- Flexibility: proceed incrementally, leaving enough space for less advance partners to assume more demanding commitments at their own pace.
- Formulate common positions within groups of countries. Example: the Regional Economic Commissions (RECs) in the negotiation of the CFTA.
- An opportunity for emerging economies to strengthen their international soft power

South-South cooperation:

built on broad-based partnerships, solidarity and mutual interest.

The term entails political, cultural and economic exchanges between Southern countries, enterprises and civil society organizations, including support, trade, investment and technology.

Triangular Cooperation



Partners: a public entity, international organization, civil society, academic institution, private enterprise.

SS and Triangular Cooperation as a complement of North-South Cooperation

In some cases, a Development Fund or programme also participates

The UN Agenda for Sustainable Development



Strengthen the means of implementation and revitalize the global partnership for sustainable development



Set of landmark agreements:

- The 2030 Agenda for Sustainable Development
- The Paris Agreement under the United Nations Framework Convention on Climate Change
- The Addis Ababa Action Agenda of the Third International Conference on Financing for Development

Cooperation through the eyes of Latin America and the Caribbean (LAC)

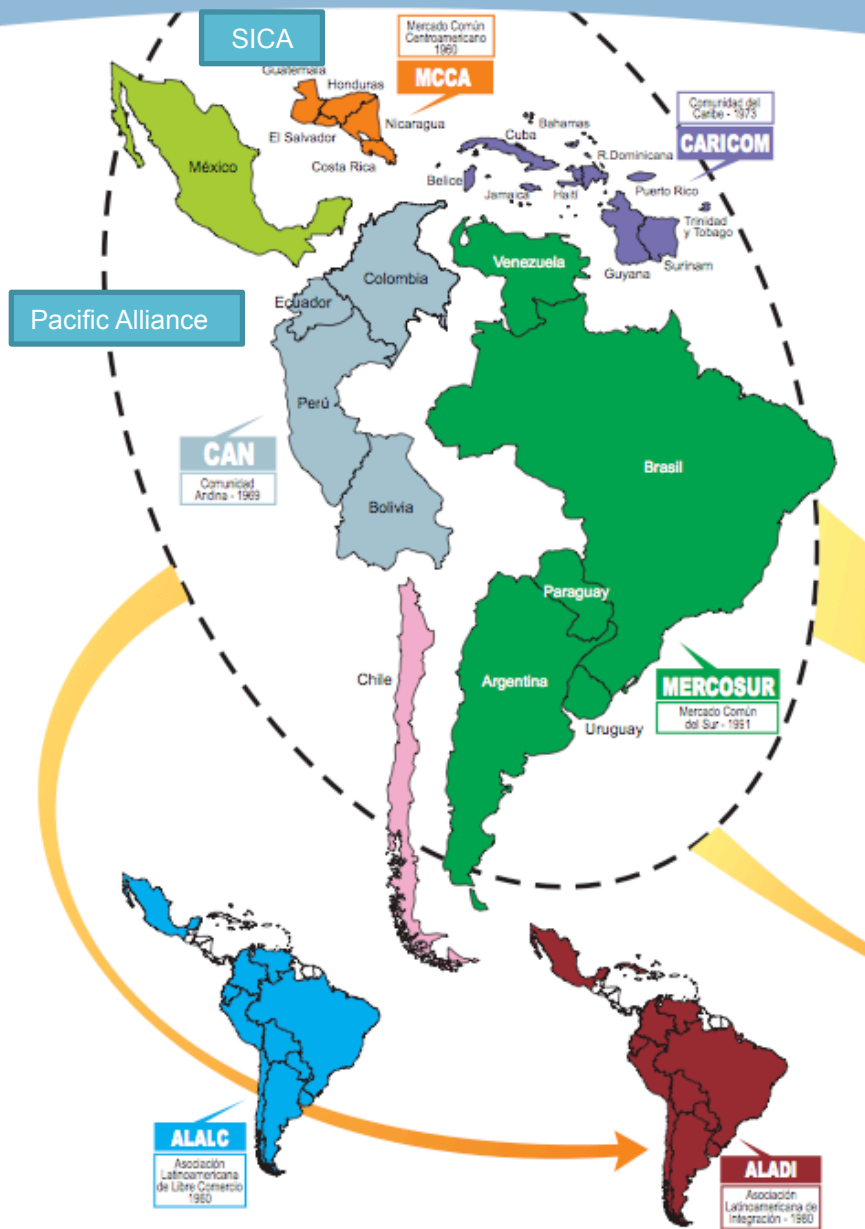
Strengthening SS cooperation:
a key element to regional integration

Integration mechanisms:

- Andean Community (CAN)
- Latin America Integration Association – LAIA
- Southern Cone Common Market (MERCOSUR) – currently negotiating an agreement with the EU
- Pacific Alliance and MERCOSUR (agreement in negotiation)
- Caribbean Community (CARICOM)
- Association of Caribbean States (ACS)
- Bolivarian Alternative for the Americas (ALBA – TCP)
- Central American Integration System (SICA)

Institutions promoting dialogue, consensus-building and political coordination:

- Latin American Economic System (SELA)
- Union of South American Nations (UNASUR)
- Community of Latin American and Caribbean States (CELAC)
- Academia, civil society



Latin America and the Caribbean (LAC): Different development options

- Andean Community (CAN)
- Latin America Integration Association (LAIA(ALADI))
- Southern Cone Common Market (MERCOSUR)
- Pacific Alliance
- Caribbean Community (CARICOM)
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LAC: new regional approaches

- Acting together in a divided world:
A regional strategic approach of "convergence in diversity"
- Countries oriented towards signing Free Trade Agreements (FTAs) with regional and extra-regional partners; countries with a progressive approach whose integration objectives are social and solidarity.
- Caribbean countries: member of the Africa, Caribbean, Pacific (ACP) groups of State.

Towards a Comprehensive Trade and Economic Latin American Agreement. Proposal: LAIA, SIECA, UN ECLAC, INTAL(BID)

- Focus integration efforts on convergence and harmonization of integration agreements. Bilateral and regional agreements with extra-regional partners vary and respond to different objectives.
- Adopt a flexible (soft) coordination approach on the diverse integration agreements
In Latin America there is a collection of different regional projects with a variable geometry integration approach, which allows countries to choose the mix of regional organizations and/or cooperation modalities that best fits their interests.
- Broaden the provisions of the agreement, beyond free trade and including cooperation on other issues including increased business and/or cooperation modalities
- Fostering financing productive and infrastructure integration among LACs tackling existing asymmetries between countries and prioritizing less developed countries. MERCOSUR FOCES as a reference.

"RESPONDER PROPONIENDO. BASES PARA UN ACUERDO ECONÓMICO COMERCIAL INTEGRAL LATINOAMERICANO"
MEMORIAS DEL CONVERSATORIO. ALADI, 21 DE ABRIL DE 2017 SEDE DE LA ALADI

See <http://www.aladi.org/nsfaladi/Prensa.nsf/>

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Latin America and the Caribbean : new regional approaches ... con't

- Countries reaction to new international trends (e.g. global value chains (GVC), e-commerce) vary due to their different productive structures
- MERCOSUR and the Pacific Alliance: strengthening linkages including trade facilitation and GVC; the would-be Argentina and Mexico agreement will have an impact.
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) - TPP 11 expected to enhance trade among countries in the Asia-Pacific, resulting in more seamless flows of goods, services, and investment.
- Latin American countries and Asia-Pacific (APEC) forum: promotes free trade throughout the Asia-Pacific region, promotes coordination, technical, information management, communications and public outreach services.
- Trade agreement (in negotiation) MERCOSUR – UE : governed by an inter-regional Framework Cooperation Agreement (1999) ; EU and individual Mercosur countries have bilateral Framework Cooperation Agreements for trade-related matters.
- LAC and China : need for a broad cooperation agenda and to achieve a common position in order to avoid reproducing a consumer pattern Centre-periphery model.
- LAC (33 CELAC members) and the Belt and Road (B&R) Initiative: proposal for a new blueprint for fulfilling the B&R Initiative and build a road of cooperation across the Pacific Ocean; approach China and Latin America and start a new era of China-CELAC relations

- Share similar interests in the international arena: position vis-à-vis the new international financial architecture, food crisis, energy and climate change policies, young populations, natural resources, need to overcome the poverty trap
- Bottlenecks: lack of information, competitive structures, complementarities, inadequate transport structure
- Latin American countries preference for cooperation activities.
- Increasing diplomatic ties as part of the SS dynamism, not necessarily linked to trade.
- Close ties with some countries (Brazil, Cuba, Venezuela, Egypt, Tunisia, Algeria, South Africa)

Latin American – African relations:
potentialities to be explored



- Brazil – Africa : structured, comprehensive and lifelong economic, political and cooperation relation. The size of both economies a critical factor. New relation based on investments and enterprise and technological partnerships
- Brazil has been wrestling with major economic and political turmoil at home. This has severely hampered its engagement abroad.
- Exciting elements in the Brazilian development trajectory that deserve being more effectively incorporated into international development cooperation.
 - Policy interventions that tackle different development challenges in an integrated fashion. Examples include: Bolsa Familia, Industrial –health complex, More Food programme.
- Major African destinations for Latin American exports: Egypt (22%), South Africa (17%), Algeria (16%), Morocco (9%). Mainly sugar (17%), maize (12%), oilcake (10%), bovine meat (5%).

Source: <https://www.tralac.org/resources/our-resources/10493-latin-america-africa-trading-relationship.html>

Latin American – African relations: potentialities
to be explored ... cont'd



Towards the Continental Free Trade (CFTA)



Regional Economic Commissions (RECs):

Arab Maghreb Union (AMU/UMA)
Economic Community of West African States (ECOWAS)
East African Community (EAC)
Intergovernmental Authority on Development (IGAD)
Southern African Development Community (SADC)
Common Market for Eastern and Southern Africa (COMESA)
Economic Community of Central African States (ECCAS)
Community of Sahel-Saharan States (CENSAD)

Roadmap towards an African Economic Community

Stage 1: Strengthen existing RECs and establish new RECs in regions where they do not exist (by 1999)
Stage 2: Ensure consolidation within each REC (gradual removal of tariff and non-tariff barriers) and harmonization between the RECs (by 2007)
Stage 3: Establish FTAs and Customs Unions (CUs) in each REC (by 2017)
Stage 4: Coordinate and harmonize tariff and non-tariff systems among the RECs with a view to creating a continental CU (by 2019)
Stage 5: Create an African Common Market (ACM) by 2023
Stage 6: Establish an AEC, including an African Monetary Union and a Pan-African Parliament (by 2028)

First stage completed, RECs formalized by the African Union. Second stage to be completed depending on progress by RECs and by members. Third stage, underway in some RECs.

ECOWAS, EAC and COMESA have both a FTA and a Customs Union



Asian cooperation and the Belt and Road (B&R) Initiative

APEC vs. ASEAN

“Partnering for New Dynamism for a Comprehensively Connected and Integrated Asia-Pacific” November 2017

Asia-Pacific Economic Cooperation (APEC)

APEC currently has 21 member ECONOMIES, including most countries with a coastline on the [Pacific Ocean](#). observers: [ASEAN](#), the [Pacific Islands Forum](#) and the [Pacific Economic Cooperation Council](#).^[2]

Association of Southeast Asian Nations (ASEAN)

Promotes inclusive and innovation-led economic growth to enhance the performance of the ASEAN Economic Community (AEC).

In 2017, ASEAN members – Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Viet Nam – adopted the AEC 2025 Consolidated Strategic Action Plan

The Strategic Action Plan aims to foster regional integration by increasing trade and investment; integrating micro, small and medium-sized enterprises (MSMEs) into the digital economy; developing an innovation-driven economy.

<http://asean.org/asean/about-asean/>

Regional Comprehensive Economic Partnership (RCEP)

FTA between the ten member states of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam) and 6 states with which ASEAN has existing free trade agreements (Australia, China, India, Japan, South Korea and New Zealand).



Objectives:

- To achieve a modern, comprehensive, high-quality and mutually beneficial economic partnership agreement among 10 ASEAN countries and their six partners — Australia, China, India, Japan, South Korea and New Zealand.
- To deliver significant opportunities for businesses in the East Asia region, 16 RCEP participating countries account for almost half of the world's population; 30 per cent of global GDP and over a quarter of world exports.
- To provide a framework aimed at lowering trade barriers and securing improved market access for goods and services for businesses in the region

RCEP recognizes ASEAN Centrality in the emerging regional economic architecture and the interests of ASEAN's FTA partners in enhancing economic integration and strengthening economic cooperation among the participating countries; facilitation of trade and investment and enhanced transparency between the participating countries, as well as facilitation of SMEs' engagements in global and regional supply chains; broaden and deepen ASEAN's economic engagements with its FTA partners.

Asian cooperation and the Belt and Road (B&R) Initiative Cont'd

One Belt one Road Initiative: a new architecture of development cooperation



B&R objective

It is open for cooperation with all countries, and international and regional organization

It is harmonious and inclusive by advocating tolerance among civilizations and respecting the paths and modes of development chosen by different countries so that all countries can coexist in peace for common prosperity.

It follows market operation and will abide by market rules and international norms; give play to the decisive role of the market in resource allocation and the primary role of enterprises while letting the governments perform their due functions.

It seeks mutual benefit by accommodating the interests and concerns of all parties involved.

B&R will follow the principle of wide consultation, joint contribution and shared benefits.

IBSA Fund

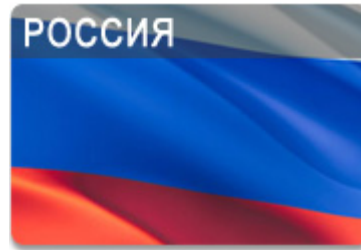
- The India, Brazil and South Africa (IBSA) Fund for the Alleviation of Poverty and Hunger.
- Managed by the United Nations Office for South-South Cooperation (UNOSSC)
- cooperation among developing countries; a pioneering SS initiative

IBSA (2003) a coordinating mechanism amongst three emerging countries, three multi ethnic and multicultural democracies,

Objectives:

- contribute to the construction of a new international architecture
- bring their voice together on global issues
- deepen their ties in various areas

The BRICS



- Brazil, Russia, India, China, South Africa (BRICS): five large emerging economies, namely Brazil, Russia, India, China and South Africa belonging to four continents. BRICS comprises of 43% of the world population, 30% of the world GDP and 17% share in the world trade.
- BRICS New Development Bank (July, 2014): facilitates, mobilizes resources and promotes infrastructure and sustainable development initiatives in BRICS and other emerging economies and developing countries


Financing for Development: crucial for the success of the Agenda 2030 and the 17 sustainable development goals (SDGs)



The Addis Ababa Action Agenda: outcome of the Third International Conference on Financing for Development (Addis Ababa, Ethiopia, 13 – 16 July 2015).

It includes a new global framework for financing sustainable development by aligning all financing flows and policies with economic, social and environmental priorities.

The Agenda calls national, regional and international development banks to commit with the goals of the Agenda 2030



National, regional development banks Supporting SS cooperation and the Addis Abeba Action Plan

Afreximbank, India Eximbank, Nigerian Eximbank, Indonesia Eximbank, Eximbank China


National Bank for Economic and Social Development (BNDES),
Development Bank of Latin America (CAF)
Foreign Trade bank (BLADEX)

[Global Network of Eximbanks and Development Finance Institutions](https://gnexid.com/)
<https://gnexid.com/> see complete membership list

The International Development Finance Club

Central American Integration Bank (CABEI)

<https://www.idfc.org/Default.aspx>, see complete membership list



National, regional development banks Supporting SS cooperation and the Addis Ababa Action Plan

... well-functioning national and regional development banks can play in financing sustainable development, particularly in credit market segments in which commercial banks are not fully engaged and where large financing gaps exist, based on sound lending frameworks and compliance with appropriate social and environmental safeguards. This includes areas such as sustainable infrastructure, energy, agriculture, industrialization, science, technology and innovation, as well as financial inclusion and financing of micro, small and medium-sized enterprises. We acknowledge that national and regional development banks also play a valuable countercyclical role, especially during financial crises when private sector entities become highly risk-averse. We call on national and regional development banks to expand their contributions in these areas, and further urge relevant international public and private actors to support such banks in developing countries.

Parr. 33, Addis Ababa Action Agenda.

Addis Ababa Action Agenda
of the Third International Conference on
Financing for Development
(Addis Ababa Action Agenda)

http://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf

Many thanks

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