

Investing in the Sustainable Development Goals through South-South and Triangular Cooperation: Promoting conducive policy and legal environments in Europe and the Commonwealth of Independent States

Throughout the Global South, evidence is emerging of a major shift in the catalytic drivers of economic growth and human development. The world is witnessing remarkable increases in economic output and major improvements in key human development indicators as well as the rapid expansion of trade, investment and financial, technological and other flows between developing countries. South-South and triangular cooperation is being increasingly recognized as one of the primary accelerators in current progress towards the achievement of the Sustainable Development Goals (SDGs). Both investment and trade are important dimensions in South-South cooperation which are rapidly increasing in volume among Southern countries.

Network of Southern Think Tanks (NeST) participated in a workshop on “Investing in the Sustainable Development Goals through South-South and Triangular Cooperation: Promoting conducive policy and legal environments in Europe and the Commonwealth of Independent States”. It was organized by United Nations Development Program (UNDP), United Nations Office for South-South Cooperation (UNOSSC) and Yingke Law Firm. It was organised on 15-16 May, 2018 in Prague. The workshop gave an opportunity to deliberate and discuss on the issues of South-South investment for sustainable development goals (SDGs): global and regional trends; public and private partnerships; Tourism as a facilitator for South-South Investment;



Participants at the conference in Prague (15-16 May, 2018)

and Digital Economy and its contribution to South-South Investments.

The first event of this nature, was held in Bangkok, Thailand “South-South Investment for Sustainable Development Goals: Policy and Legal environment in Asia” in August 2017. The event scoped the contributions of South-South investment on the SDGs in Asia, identified challenges and good practices in policy and legal areas that can facilitate better South-South investment for the achievement of the SDGs in Asia. A scoping paper was developed which provided a comprehensive review of policy frameworks and identifies further research questions on the policy and legal environment for South-South investments in Asia. The research questions have fed into a research agenda which think tank networks, members of the South-South Global Thinkers, are currently undertaking.

This event in Prague, co-organized by UNDP, UNOSSC and Yingke law firm also scoped the contributions of South-South investment in the SDGs in Europe and CIS region, and identified challenges and good practices in policy and legal areas that can facilitate better South-South investment for the achievement of the SDGs

As is known that UNOSSC has created a platform of Southern network of think tanks known as South-South Global Thinkers initiative. The network members include:

- Middle East and North Africa Public Administration Research Think Tank Network (MENAPAR TTN) based in Manama, Bahrain
- Silk Road Think Tank Network (SiLKS) based in Beijing, China
- Network of Southern Think Tanks (NeST) based in New Delhi, India
- Southern Voice on Post-MDG

International Development Goals based in Dhaka, Bangladesh

- Iniciativa Latinoamericana de Investigación para las Políticas Públicas (ILAIPP) based in Quito, Ecuador
- The Global Research Consortium on Economic Structural Transformation (GReCEST) based in Beijing, China

The workshop provided a platform for the network members to discuss their ongoing work and future plan of action towards achieving SDGs through South-South Cooperation (SSC). The workshop also acted as a preparatory ground for 2019 BAPA+40 meeting.

United Nations General Assembly in August, 2017 adopted a draft resolution by consensus to convene “Second High-Level United Nations Conference on South-South Cooperation” to be held in Buenos Aires between March 20-22, 2019. The scheduled conference will mark the 40th anniversary of UN Conference on Technical Cooperation among Developing Countries held in Buenos Aires in August of 1978. It led to the adoption of Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries (TCDC), popularly referred to as Buenos Aires Plan of Action (BAPA).

1978 saw adoption of BAPA framework in a conference attended by 138 countries, 45 ministers, 41 deputy ministers and 81 heads of cooperation and planning departments. BAPA for the first time enunciated the basic principles of interaction between countries which in later years formed a part of non-negotiable principles of SSC. It included respect for sovereignty, non-interference in internal affairs and equal rights. It also guided the developing countries towards strengthening innovative mechanisms for

building legal frameworks, institutional frameworks and financing mechanisms at national, bilateral, regional and multilateral levels.

The key takeaways from the workshop are as follows:

- Financial sustainability of South-South (SS) projects was highlighted with cautioning towards debt trap for recipient countries. Lack of or absence of demand driven approach in some of the SS projects are leading to high costs for the recipient countries in terms of shift of the economy and generating new skills and manpower for the project which were not demanded by the country but are being delivered anyway.
- On a futuristic perspective, the sectors of tourism and digital economy were discussed to be of immense importance. Regulation and legal frameworks are not strong at the moment and work needs to be done in this regard. Digital economy even lacks definition and we tend to mix up ICT, E-Commerce and E-Governance. Ownership and localisation of data are the ongoing debates.
- Technology transfer is an ongoing debate and international organisations have taken certain steps in this regard. However, it is equally important to safeguard the Southern innovation and Southern start-ups. Through merger and acquisitions, the Southern innovation and start-ups are lost to Northern multinational giants.
- The four sub-themes of BAPA were identified as:
 - Comparative Advantages and Opportunities of SSC;
 - Challenges and Remedies towards creation of SS institutions;
 - Sharing of Success Stories and Good Practices of SSC; and
 - Scaling up of Means of Implementation.

Recent Happenings in Development Cooperation

USD 1 Billion Equity Fund for Africa from the South

The African Export-Import Bank (Afreximbank), the Finance Center for South-South Cooperation (FCSSC) and the Made-in-Africa Initiative (MIAI) have announced a joint effort to mobilise \$1 billion in equity fund to channel foreign direct investment from developing (South) economies towards Africa's industrialization and integration into global value chains. The framework agreement executed by the three organisations in Beijing recently, mark the establishment of a strategic partnership among the institutions aimed at leveraging diversified financial instruments and resources to boost Africa's industrialization and expand China-Africa economic and commercial cooperation. The objective of the arrangement is to develop a common investment platform anchored on Afreximbank in order to reduce investment risks and better support Africa's industrialization and dynamic development. The platform is expected to attract investment capital from the public and private sectors and to facilitate the flow of foreign direct investment from China and other South economies into manufacturing and other value-added activities in Africa.

Source: Afreximbank Partners FCSSC, MIAI for \$1 billion fund to Support Industrialization, Boost Africa-South Cooperation, May 29, 2018