

# Ministerial Meeting on South-South Cooperation

Session 2





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# Session 2: Best practices and experience-sharing in unlocking the potential of South-South and triangular cooperation for sustainable, resilient, and transformative development of LLDCs

South-South Cooperation is characterized by, and not limited to, principles of solidarity, mutual gains and non-interference in the internal affairs of another country. These principles, especially, noninterference, help foster peaceful and collaborative relations, which are particularly beneficial for LLDCs that face significant challenges a in accessing international markets. Building and maintaining good relations with transit countries and engaging in regional cooperation are conducive for ensuring transit and infrastructure connectivity. LLDCs rely on partnerships to facilitate collaborative development, share of common resources and investment costs. Moreover, it is important that LLDCs retain ownership of their development processes by shaping policies, establishing legal frameworks, and engaging in planning efforts.

This session will showcase South-South cooperation through five illustrative case studies, each focusing on thematic areas of the new Programme of Action. Covering five countries in Central Asia, South-East Asia, Latin America, and Africa countries. These case studies will demonstrate how selected LLDCs have successfully leveraged South-South cooperation to address their development challenges. Some of the case studies will take a forward-looking approach, highlighting initiatives aimed at achieving economic transformation and addressing sustainable development issues such as job creation, inclusive development and climate change mitigation.

In each case study, the role of partnership brokerage is highlighted with a focus on the specific priorities of Member States involved. This approach aims to deepen the understanding of South-South cooperation, emphasizing its potential to address developmental challenges in LLDCs. Furthermore, the case studies will help identify the catalytic role of the UN System in facilitating partnerships to scale up successful South-South and triangular cooperation initiatives.

#### Structural transformation and STI in Ethiopia

Key issues such as a country's industrial strategy, government engagement, and exchange of technology and skills are pivotal to achieving structural transformation. Ethiopia, a country that has shaped its transformation through South-South cooperation, serves as a compelling example in this regard. Notably, a significant aspect of this transformation has taken place within Special Economic Zones which are modelled after those in China, including partnerships with Chinese state-owned enterprises. The case study will focus on Ethiopia's industrialization policy; the Government's role in facilitating transformation; examples of leading companies driving transformation; methods and skills and technology transfer; Ethiopia's Special Economic Zones; and the role of science, and technology and innovation.







# Transit transport and connectivity in Tajikistan

None of the five Central Asian countries has access to the sea, making overland transport, connectivity and transit corridors essential for the region. Tajikistan strategically located at the heart of this region, is bordered by Afghanistan to the south, China to the east, Kyrgyzstan to the north, and Uzbekistan to the west/northwest. While its geographic location presents challenges, it also positions Tajikistan as a potential transit hub for the region and beyond, linking Europe and Asia from east to west as well as north to south. Investments in transit, transport and connectivity are shifting perspectives of Tajikistan (as well as other LLDCs in the region) from being "landlocked" to becoming "land links" or "land bridges" that could promote activities beyond their economies and facilitate broader regional and even cross-regional/international trade for sustainable development beyond their borders. The new Programme of Action for LLDCs underlines that transit corridors should be considered as economic development corridors and as an important means for expediting the movements of goods and people across international borders by connecting key freight points in LLDCs and transit countries, as well as other countries in the region.

# **Climate Change and Energy Transition in Paraguay**

The Bi-Oceanic Corridor is considered as the Panama Canal of the 21st Century. Spanning approximately 2,400 km of paved road, it will link Brazil's Atlantic coast to the Chile Pacific coast through Paraguay and Argentina. In landlocked Paraguay, 500 km of the corridor will pass through its territory, with around 50% of this section already paved and operational. The completion of the Bi-Oceanic corridor is expected to serve as an immense accelerator for Paraguay's economic development, providing access to the mineral and agriculture resource-rich Grand Chaco region, spurring the development of supporting infrastructure such as hotels, gas stations and new roads, and creating new employment opportunities. The new infrastructure will require sustainable energy supplies. However, the project poses social and environmental risks, including deforestation, and potential exclusion of the local communities from benefiting along the corridor. A comprehensive economic planning model, grounded in the cooperation of regional partners and South-South partnerships can enhance the equitable sharing of benefits and collectively addressing the negative impacts

As 50% of the Paraguay section of the road through the corridor has already been completed, the lessons learned from this experience can be applied to optimize the design of the remaining sections, ensuring the corridor maximizes its potential benefits for the people of Paraguay. The case study will focus on the planning, partnerships for an inclusive and sustainable economic growth, climate change mitigation and the role of South-South Cooperation in achieving these goals.







Rwanda, one of the LLDCs in Sub-Saharan Africa, shares borders with two other LLDCs in the region: Burundi and Uganda. Despite trade being a crucial driver of economic growth, LLDCs' participation in global and regional trade remains low due to their geographical isolation from major markets. These challenges can be reduced through implementation of relevant policies and national and regional strategies aimed at facilitating trade. Trade facilitation refers to the simplification, modernization and harmonization of export and import processes.

The proposed case study will therefore analyze Rwanda's implementation of the VPoA Priority 3b (Trade Facilitation) and the WTO Trade Facilitation Agreement (TFA), and how the country leverages South-South and triangular cooperation in these efforts. The study will draw on data from the Government of Rwanda, the Digital and Sustainable Trade Facilitation Global Reports, and other relevant UN trade reports. The goal of this case study is to provide insightful conclusions on the impact of trade facilitation measures in Rwanda as an LLDC and highlight the role of South-South and triangular cooperation in the implementation. Key lessons learned and opportunities for further advancing South-South and triangular cooperation will be emphasized.

### Means of Implementation – Lao PDR

Lao PDR, the only landlocked country in Southeast Asia, is a member of the Association of Southeast Asian Nations (ASEAN) shares borders with China, Myanmar, Thailand, Cambodia, and Viet Nam. This case study focuses on the transformative journey of Lao PDR, highlighting the role of regional integration within ASEAN and collaborative initiatives spurred by South-South cooperation, which have positively impacted the means of implementation of the Vienna Programme of Action by boosting foreign direct investment and remittances, mobilizing concessional financing and domestic revenues, and narrowing development gaps in Lao PDR. The analysis demonstrates that South-South cooperation, which has been crucial for regional integration in ASEAN, has significantly benefited Lao PDR as a LLDC.

# Issues to consider in post-presentation discussions:

- Did the case studies illustrate the broad scope of South-South and triangular cooperation, particularly highlighting actions that may not traditionally be recognized as South-South cooperation and yet reflect its key characteristics, such as grants, concessional funding, trade preferences etc?
- Multistakeholder approaches in South-South cooperation: did the case studies illustrate the roles of diverse stakeholders beyond just governments, including the private sector, civil society, and government at both national and local levels? What lessons can be derived about partnerships LLDCs need to cultivate for successful collaboration?
- How can South-South and triangular cooperation be better leveraged and further strengthened to enhance the implementation of the next PoA?
- What role can regional cooperation and integration play in unlocking the means of implementation necessary for development and growth in LLDCs?