



*Special Unit for Technical Cooperation among
Developing Countries*



*Meeting on TCDC Pivotal Countries
17-19 November 1997 - Santiago, Chile*

Report
Meeting on TCDC Pivotal Countries

TABLE OF CONTENTS

	Page
I. Introduction	1
II. South-South Cooperation in the Context of Globalization	2
III. Definition Role and Initiatives of Pivotal Countries	3
IV. Strategies to Promote TCDC and ECDC	6
V. Specific Initiatives to be undertaken by Pivotal Countries	7
VI. The Role of the Special Unit for TCDC	7
VII. Closing Remarks	8
Annex I: Work Programme	
Annex II: List of Participants	
Annex III/1: Statement of the Minister of Foreign Affairs of Chile	
Annex III/2: Statement of the Executive Director of the Chilean Agency for International Cooperation (AGCI)	
Annex III/3: Statement of the Director-General of the Tunisian Agency for International Cooperation (ATCT)	
Annex III/4: Statement of the Director of the Special Unit for TCDC	

MEETING ON TCDC PIVOTAL COUNTRIES

I. Introduction

1. The Meeting on TCDC Pivotal Countries was convened in accordance with Decision 10/1.B of the High Level Committee on the Review of Technical Cooperation Among Developing Countries which, in calling for the furtherance of TCDC, urged implementation of the recommendations contained in the new directions strategy for TCDC, including the identification of pivotal countries.
2. The development of the concept of pivotal countries was formulated in the context of the report on New Directions for TCDC which was adopted at the ninth session of the High Level Committee on the Review of TCDC (HLC Decision 9/12).
3. The meeting which was held in Santiago, Chile from 17-19 November, 1997 was organized by the Special Unit for TCDC of the United Nations Development Programme, and hosted by the Government of Chile, under the auspices of the Chilean Agency for International Cooperation (AGCI). The meeting was attended by twenty-three developing countries from Africa, the Arab States, Asia and the Pacific and Europe and Latin America and the Caribbean, namely Brazil, Chile, China, Colombia, Costa Rica, Cuba, Egypt, Ghana, India, Indonesia, Malta, Malaysia, Mauritius, Mexico, Nigeria, Pakistan, Perú, Republic of Korea, Senegal, Thailand, Trinidad and Tobago, Tunisia and Turkey. The United Nations Conference on Trade and Development (UNCTAD), the Economic Commission for Latin America and the Caribbean (ECLAC) and the Latin American Economic System (SELA) participated as observers. The list of participants is attached in Annex II.

Inaugural Session

4. The Meeting was inaugurated by H.E. Mr. José Miguel Insulza, Minister of Foreign Affairs on behalf of the Government of Chile. At the inaugural session, statements were also made by Mr. Francisco Vío Grossi, Executive Director of the Chilean Agency for International Cooperation, Mr. Naceur Gharbi from Tunisia on behalf of participating countries, and Mr. Denis Benn, Director of the Special Unit for TCDC.
5. In his statement, Minister Insulza expressed the satisfaction of the Government of Chile in hosting this important meeting on pivotal countries for the promotion of South-South cooperation against the background of the dramatic changes that had occurred in international economic relations. His statement is attached as Annex III/1.
6. Mr. Vío emphasized and recalled the historic character of the meeting for international technical cooperation. He indicated that the main purpose of the meeting was to establish new guidelines for promoting global solidarity among the developing countries. His statement is in Annex II/2.

7. Speaking on behalf of the participants, Mr. Gharbi recognized the importance of pivotal countries as catalytic agents for promoting the effective participation of developing countries in the emerging global economic system. His statement is in Annex III/3.

8. Mr. Denis Benn stressed the importance of the meeting in promoting an exchange of experience among developing countries in South-South cooperation. He underscored the role which pivotal countries could play as catalysts for fostering TCDC and establishing operational linkages between TCDC and ECDC. These remarks are in Annex III/4.

Technical Session

9. The bureau of the meeting comprised the Chairman, Mr. Francisco Vío, two Vice Chairmen, Mr. Gajendra Haldea, India and Mr. Edwin Abela, Malta; and a Rapporteur, Ms. Mary-Anne Addo, Ghana. The meeting adopted its work programme, which is attached as Annex I.

10. At the beginning of the technical session, chaired by Mr. Vío, the Director of the Special Unit presented the main elements of the issues paper prepared as a background document. In addition, Mr. Michael Sakbani of UNCTAD introduced a paper on the "Role of Pivotal Countries in ECDC-TCDC in the Globalizing World Economy". Dr. V.R. Panchamuki, Director, Research and Information System for the non-Aligned and Other Developing Countries made complementary remarks on the subject.

II. South-South Cooperation in the Context of Globalization

11. The discussions which took place during the meeting, focused on the experience of various countries in responding to the challenges of globalization, with special reference to the role of TCDC and ECDC in that process.

12. Special emphasis was placed on issues relating to the expansion of trade and investment among the developing countries as part of the overall programme of South-South cooperation.

13. Although globalization and economic liberalization have created opportunities for accelerating growth and development, some developing countries, particularly the least developed countries, based on their low productive capacity, faced the danger of marginalization in the emerging global economy. The recent experiences of countries such as Indonesia, Malaysia, Mexico and Thailand are indicative of the fact that even developing countries that have achieved comparatively higher levels of development are not immune to the adverse effects of globalization and economic liberalization. Despite its importance as a strategy in support of the development of the developing countries, TCDC has not yet realized its full potential, particularly in the areas of trade and investment. However, the challenges of globalization provide new opportunities for strengthening the development capabilities of the developing countries and also for fostering closer operational linkages between TCDC and ECDC. It was recognized that this effort would require not only purposeful governmental action, but also the involvement of the private sector, NGOs and other civil society organizations.

14. The presentations made by participants at the meeting highlighted a number of important analytical and policy issues. It was argued that the process of South-South cooperation in the new environment of globalization should be flexible, participatory and purposeful. It should aim at maximizing the benefits of globalization and minimizing its possible negative effects on the process of development.

15. The participants recognized that in terms of current economic realities, globalization provides the overall framework for fostering TCDC and ECDC, although the nature of the strategic response to globalization by different developing countries would need to be determined by their particular development circumstances.

16. During the discussion, it was emphasized that trade and not only aid would accelerate the process of development and that trade and investment flows constituted key areas for promoting economic growth and development.

17. The initiatives taken by the participating countries in fostering TCDC and ECDC underline their deep commitment to the cause of South-South cooperation.

18. The various presentations highlighted the fact that the countries participating in the meeting had laid the necessary groundwork that would enable them to serve as effective catalysts for promoting South-South cooperation. The deliberations on the country experiences provided a useful basis for identifying the critical next steps that would need to be pursued for operationalizing the New Directions Strategies for TCDC.

19. It was also emphasized that in seeking to effect an operational integration between TCDC and ECDC, the latter could provide a context for TCDC while the former could give operational content to ECDC.

III. Definition, Role and Initiatives of Pivotal Countries

20. Pivotal countries can be defined as developing countries which, by virtue of their capacities and experience in promoting South-South cooperation, are positioned to play a 'lead' role in the promotion and application of TCDC, mainly by sharing their capacities and experience with other developing countries; although they could themselves also benefit from the experience of such countries.

Criteria for Identifying Pivotal Countries

21. Criteria for the identification of pivotal countries are:
- i) a rich history of participation in TCDC activities as a provider of know-how to other developing countries through the transfer of experiences and technical knowledge in the context of bilateral, multilateral and triangular arrangements;

- ii) the existence of indigenous capacities and capabilities and a willingness to share them with other developing countries;
- iii) strong TCDC National Focal Points arrangement based on a national policy and guidelines, as well as a strong commitment to the utilization of the TCDC modality in the country's development programmes;
- iv) the existence of national technical cooperation agencies or institutions responsible for TCDC; and
-) a database on national capacities and experiences.

Role of Pivotal Countries

22. Pivotal countries should assume a lead role by

- a) acting individually or collectively as agents for the promotion and application of TCDC as an important dimension of international development cooperation;
- b) sharing their capacities and experience with other developing countries at the regional and inter-regional level through bilateral and multilateral channels; and
- c) advancing the objectives of the New Directions Strategy for TCDC in carrying out initiatives in high priority areas.

23. Any developing country could assume this role provided it satisfied the minimum requirement of being committed to the cause of South-South cooperation and also possessed the necessary institutional and organizational capacity to undertake various initiatives of strategic importance to the promotion of South-South cooperation.

Initiatives of Pivotal Countries

24. The meeting reviewed the inventory of the topics and areas of common concern for South-South cooperation listed in the background document presented as a basis for discussion. It was suggested that the identification of the initiatives to be under taken by pivotal countries should be a continuing process and that pivotal countries should seek to establish priorities among the various initiatives.

25. Many participants cited capacities which they could share with other developing countries in such areas as poverty eradication, governance, agriculture development, forestry, the timing and sequencing of economic reforms, trade promotion, the development of small and medium-sized enterprises, education and health, human resources development, women's issues, science and technology, engineering, water resources management, energy, services, telecommunications and ship-building.

26. Participants were of the view that the Special Unit for TCDC should formulate a proposal to operationalize initiatives and actions that pivotal countries could undertake for the promotion of TCDC.

As a basis for operationalizing the various initiatives, participants identified the following steps to be taken by the pivotal countries :

- a) identification of the priority areas for action on the basis of their capabilities and known strengths;
- b) identification, for each selected area for cooperation, of a network of countries which would be relevant for the purpose of promoting cooperation in these areas;
- c) a matching of capacities and needs among the selected group of countries;
- d) the adoption of modalities and mechanisms of implementation with the active participation of the private sector and NGOs ; e) mobilization of the necessary funding for the implementation of priority initiatives.

27. The meeting affirmed the need to continue to pursue traditional forms of technical cooperation in respect of which the developing countries had launched significant initiatives in the past. It was agreed that there was considerable scope for sharing experiences among developing countries, particularly in regard to the strategic approaches adopted by some of the more successful developing countries.

28. Several delegations emphasized the need to give special considerations to the situation of the Least Developed Countries and the Small Island Developing States.

29. A number of participants cited limited financial resources, inadequate communication, and the lack of effective coordination among national and external entities as factors contributing to the slow progress in implementing TCDC activities.

30. During the meeting, participants discussed the necessity for countries to continue working on the definition of priorities, taking into account their potentialities, capacities and interests. In addition they considered, *inter alia*, the following areas which could be of interest to developing countries:

- i) strategic TCDC exchanges in the areas of national policy formulation; exchange of relevant technologies, and the promotion of new forms of industrial organization such as flexible specialization;
- ii) dynamic expansion of trade and investment opportunities among developing countries;
- iii) establishment of increased linkages between different economic integration groupings in the developing world such as ASEAN/MERCOSUR/SADC.
- iv) elaboration of strategies in respect of issues of common interest to developing countries in the context of global economic negotiations particularly in the fields of trade and investment.

31. The discussion on specific areas of cooperation resulted in the identification of a number of initiatives that could be pursued by pivotal countries. There was agreement that an initial set of actions might focus on the following:

- a. Setting-up mechanism for the effective flow of commercial information;
- b. Strengthening telecommunication linkages and improving physical infrastructure such as roads, ports and power systems;
- c. Preparation of directories of technical experts and consultancy organizations;
- d. Facilitating the adoption of suitable standards in regard to the environment, health, packaging, eco-labelling and labor;
- e. The initiation of critical studies on the implications of new and emerging technologies such as bio-technology, new materials, photo-voltaics and micro-electronics;
- f. Facilitating intra-South investment flows;
- g. Facilitating the exchange of experiences in regard to the modalities for dealing with the social and environmental aspects of development;

IV. Strategies to Promote TCDC and ECDC

Strategic TCDC exchanges

32. In providing catalytic promotional support to other developing countries, pivotal countries should assist in:

- a) the formulation of national TCDC policies;
 - b) strengthening focal point mechanisms;
 - c) TCDC sensitization and awareness;
 - d) forging networking arrangements among scientific and research institutions and management training centers within the context of the implementation of a dynamic TCDC programme;
 - e) facilitating the transfer of relevant technology and experiences through enterprise to enterprise exchanges, particularly in respect of the application of new techniques in the organization of production;
 - f) formulation of industrial policies;
 - g) development of small and medium-size enterprises;
 - h) elaborating appropriate macroeconomic and sectoral policies; and
- establishing effective partnership between government and the private sector, including the Chambers of Commerce and Industry and other key participants, such as NGOs, in support of national economic and social development programmes.

V. Specific Initiatives to be undertaken by Pivotal Countries

33. Pivotal countries should assume a lead role in supporting specific initiatives on the basis of priorities which would lend themselves to an intensified pattern of TCDC and ECDC and the adoption of specific measures to carry forward selected initiatives in various areas such as poverty alleviation, health, education, the environment, information flows, capacity building and infrastructure development, as well as in the areas of trade and investment, technology transfer and support to LDCs.

Supporting Mechanisms and Financial Arrangement

34. The participants at the meeting emphasized the need to create suitable mechanisms for the implementation of initiatives to be undertaken by pivotal countries. It was recognized that the nature of the mechanisms should take into consideration the importance of promoting improved coordination both internally within the pivotal country and externally in terms of its relationship to other pivotal countries. The need to mobilize centers of excellence, universities, research institutions, and the private sector and to study and identify areas of complementarities among developing countries for effective, meaningful and strategic cooperation was deemed essential in this context.

35. In this regard, the catalytic and supportive role of the international organizations and the multilateral system such as the United Nations and in particular, the Special Unit for TCDC in UNDP in assisting pivotal countries was emphasized.

36. The meeting reiterated the importance of strengthening the national focal point mechanisms as a basis for ensuring effective implementation and coordination of the various initiatives to be carried out by pivotal countries.

37. The availability of adequate resource was considered crucial for the implementation of the initiatives of the pivotal countries. In this regard, triangular cooperation involving donor countries was deemed important, as well as the contribution of beneficiary countries. Participation of the private sector should be encouraged.

38. Reference was also made to the possibility of utilizing resources available under trust funds under the management of the Special Unit for TCDC, such as the Trust Fund for promotion of South-South cooperation established at the request of the UN General Assembly and the Pérez-Guerrero Trust Fund within the purview of the Group of 77 for funding initiatives carried out by pivotal countries.

VI. The Role of the Special Unit for TCDC

39. In accordance with the New Directions strategy, SU/TCDC should support pivotal countries in carrying out their role as catalysts to intensify TCDC and should also support the exchange of experiences and other cooperation arrangements among developing countries.

40. In an effort to intensify patterns of cooperation among developing countries, pivotal countries would indicate to the Special Unit for TCDC preferably within three months, the particular areas in which they would assume a lead role in advancing activities in TCDC with other countries.

41. It was agreed that all sources of funding such as national allocations, UNDP country and regional resources, triangular cooperation arrangements, as well as resources available under relevant trust funds should be fully explored in order to support the TCDC activities.

VII. Closing remarks

42. The participants expressed their appreciation to the Government of Chile for hosting the meeting and for the generous hospitality and excellent arrangements provided during the meeting.