

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**Multi-year Expert Meeting on International Cooperation:  
South-South Cooperation and Regional Integration  
Geneva, 4–5 February 2009**

**General statement**

**Speaker:** H.E. Ambassador Roberto Carvalho de Azevedo (Brazil)

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*Not checked against delivery*\*

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\* This statement is made available in the language and form in which it was received.

## TALKING POINTS

### SOUTH-SOUTH COOPERATION

#### The Brazilian approach to South-South Cooperation

- The Brazilian approach to South-South Cooperation is that it should not follow a traditional donor-recipient relationship. Instead, it should be a true partnership association – countries working together on the basis of common experiences against similar challenges. Often with a sense of solidarity
- Given its expertise on the implementation of technical cooperation programs, and the lessons drawn from facing the same challenges of poverty and development within our own country, Brazil is in a position to share experiences with fellow developing countries.
- Nevertheless, financial constraints remain a major impediment for further diffusion and enhancement of South-South cooperation projects and programmes. To avoid those constraints, South-South cooperation projects should have the support of financial institutions and benefit from triangular schemes with developed donors.
- The central guidelines for South-South cooperation carried out by Brazil are: (1) Ownership; and, (2) the promotion of national autonomy in areas elected by the recipient country
- Regions benefiting from Brazilian technical assistance: Latin America and the Caribbean as well as Africa. Examples of main areas of cooperation: agriculture and bio-fuels (aiming at promoting the export capacity of recipient countries), and export promotion programmes (like the simplified export procedures through post offices, directed to small exporters).

#### Main initiatives to be highlighted

- **Cotton Initiative**, one of the critical issues of the Doha Round. C-4 was one of the major beneficiaries of the Panel on Cotton (maximize benefits if subsidies go down), litigation initiated by Brazil in the WTO. Recall that it is difficult to litigate in the WTO, lack of capacity (political, technical and financial).

- **Projects** - Visits by representatives from Burkina-Faso, Mali, Tchad and Benin to Brazil May 2008 to get acquainted with harvesting and cotton processing programmes.
  - Capacity building projects in Benin and Mali, including the technical training of African officials developed by the “Brazilian Agricultural Research Company” (EMBRAPA)
- EMBRAPA’s office in Accra (2006), where a team of researchers has been carrying out surveys and providing assistance to various African countries.
- **IBSA** - trilateral, developmental initiative between India, Brazil and South Africa to promote South-South cooperation and exchange. Formally established by the Brasilia Declaration on 6 June 2003. In 2004, the 3 Members established the IBSA Fund for Alleviation of Hunger and Poverty to provide support to other developing countries.
  - Data on the Fund – contributions US\$ 10 million. Currently, five initiatives are being considered, taking into account their potential to reduce hunger and poverty.
  - Example of project: Guinea Bissau cooperation focused on food security. A project was developed to introduce seeds adapted to the local rainy season.
- **Fund for the Structural Convergence of Mercosur (FOCEM)** –
  - **Objective** - to improve the competitiveness of the smaller economies and of the regions of lesser development and to create the necessary infrastructure to strengthen regional integration.
  - **Duration** - 10 years
  - **Resources** - almost US\$ 1 billion.
  - **Beneficiaries** - Paraguay and Uruguay are the greatest beneficiaries
  - **Activities** - 23 projects were approved being 13 introduced by Paraguay, 6 by Uruguay, 3 by the Mercosur Secretariat and 1 plurilateral. Projects cover the following areas: housing,

transportation, Small and Medium Enterprises, bio-safety, sanitary and phyto-sanitary matters, capacity building.

### **Financial Cooperation**

- **CCR – created in 1965, comprises ALADI members.**
  - **System of operation** - Liquidation of balances, on a quarterly basis, among members central banks
  - **Objectives:** facilitate payments, reducing the flow of hard currency (only the end of quarter balances are settled), cooperation and integration among financial institutions.
  - It is also worth mentioning the System of Payments in Local Currency in place between Brazil and Argentina. By this system, the commercial agents are allowed to honor their transactions in their local currencies. The system reduces transactions costs, simplifies commercial operations and facilitates to a great extent the participation of SMEs in export operations.

### **OTHER REGIONAL INITIATIVES**

Development of infrastructure in Latin America and the Caribbean, as an incentive for the expansion of trade among the countries in the region and to improve their competitiveness.

- **Initiative for the Regional Integration of Infrastructure in South America (IIRSA)**
  - Objectives: promotion of the interaction and dialogue among its twelve South American Member countries in order to exchange information and coordinate policies and sectoral investment plans.
  - Focus: promotion of physical integration in the transportation, telecommunication and services areas with a view to the sustainable development of the region.

- Current activities: 514 infrastructure projects in the transportation, energy and communications fields distributed in 9 Integration and Development Hubs, involving an estimated investment of US\$ 69 billion up to December 2008.
- UNASUL – Summit of May 2008, comprising all South American countries. On its way to operationalize its cooperation activities
- Summit of Latin America and the Caribbean – held in Salvador in December 2008, comprising 33 Heads of State. Next meetings in Mexico (2010) and Venezuela (2011).