

**Statement by Alicia Bárcena, Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC) at the opening of the DCF Argentina High-level Symposium on South-South and Triangular Cooperation for Achieving the 2030 Agenda Building Innovative and Inclusive Partnerships**

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Excellency, Gabriela Michetti, Vice-President of the Argentine Republic

Excellency, Jorge Faurie, Minister for Foreign Affairs and Worship of the Argentine Republic

Mr. Liu Zhenmin, Under-Secretary-General for Economic and Social Affairs, United Nations

Friends,

It is an honour and a pleasure to take part in the opening session of the High-level Symposium on South-South and Triangular Cooperation for Achieving the 2030 Agenda for Sustainable Development.

This symposium provides a key setting for reflection and discussions on the implementation of the 2030 Agenda for Sustainable Development and on the role of cooperation in fulfilling those Goals.

I welcome the opportunity to engage in such reflection and discussion together with the authorities and officials responsible for cooperation in our region, and I am grateful to the Government of Argentina and to the Department of Economic and Social Affairs of the Secretariat of the United Nations for the invitation. I would like to extend a warm welcome to Mr. Liu Zhenmin, who was recently appointed Under-Secretary-General for Economic and Social Affairs. It is an honour to meet with you again, now in your new role, and I look forward to working with you in the years to come.

Dear friends, cooperation has reached a turning point.

The current context, characterized by a weakening of multilateralism, the return of protectionism and the ascendancy of extremist political movements, has contributed to the undermining, and in some cases to the abandonment, of the multilateral cooperation agenda.

This entails serious risks for the world economy and reduces the possibilities of fulfilling the 2030 Agenda for Sustainable Development and its 17 Goals, whose financing requires mobilizing between US\$ 3 and US\$ 14 trillion annually.

In Latin America and the Caribbean we face a complex scenario, with low average growth rates of around 1.1 % in 2017 and significant uncertainties in the political, economic, social and environmental

spheres, as several countries in the region are holding or preparing for key elections.

These unfavourable economic conditions, coupled with low levels of investment –equivalent to 18% of GDP compared with 33% in the Asia-Pacific region—constrain productivity and limit the structural changes needed to progress towards a new style of development. They also threaten the social advances achieved by Latin American and Caribbean countries over the past decades, in particular, the reduction of poverty and inequality. This is deeply worrying as 175 million people in Latin America and the Caribbean still live in poverty, with 75 million facing destitution on a daily basis.

Today, more than ever, we must promote and broaden multilateral cooperation and integration. There is no single formula, or even set of standard formulas, for effective cooperation; we must recognize that these challenges demand greater imagination than before, but no less sense of urgency.

ECLAC maintains that the international cooperation system, which is steered by the rationale of per capita income as the representative indicator of development, has increasingly excluded middle-income countries such as those of Latin America and the Caribbean. According to the World Bank classification of June 2017, 25 countries in the region

are middle-income, 7 are high-income –5 of which are in the Caribbean– and only one is low-income.

As ECLAC has postulated in numerous publications and analysis, per capita GDP is not the most suitable indicator of the state or level of economic and social development, nor of the capacity of countries to achieve a development dynamic. This is why allocating cooperation resources on the basis of this indicator is no guarantee that they will be used adequately. Furthermore, using per capita income as a criterion for graduation can result in the exclusion of countries to the extent that those graduating may lose access to concessional financing. They may also be excluded from special and differential treatment in international trade (tariff and non-tariff preferences) –sometimes granted to lower-income countries– as graduation itself is no guarantee that these countries will be able to compete autonomously.

Similarly, graduation is not synonymous with access to international financial markets. Access to external resources may depend on factors beyond per capita income criteria, including external conditions beyond the control of middle-income countries. The capacity to gain effective access to private financing varies widely among countries in the region. Access to private financing is subject to a multiplicity of access requirements and conditionalities, which makes it difficult for countries

to take a strategic approach to financing their development priorities and to assess the impact and effectiveness of different sources of funding. In recent years, four countries (Brazil, Colombia, Mexico and Peru) have accounted for 83% of net foreign investment flows to the region.

The international cooperation system must seek a broad and comprehensive strategy to address the issue of development that, beyond including low-income countries, should take into account the diverse needs and vulnerabilities of middle-income countries.

Today's global and regional realities require South-South cooperation to take on an increasingly important role, especially considering its innovative contributions to the development cooperation system: fostering greater horizontality, inducing a sense of ownership on the part of the receiver, thus providing double dividends —for both the donor and the receiver—, stimulating technical capacity on both sides, as well as generating an increased sense of shared responsibility.

This type of cooperation has been growing in importance in recent years, representing close to US\$ 20 billion annually, equivalent to 15.2% of total official development assistance, according to United Nations figures.

South-South cooperation also poses challenges to the development and governance of the international system and opens the debate on different forms of assistance, helping to define a new consensus and identify new stakeholders.

Triangular cooperation, as part of this new architecture for international cooperation, deserves special attention. This type of cooperation, already established in Latin America and the Caribbean, makes the most of each partner's comparative based on their specific characteristics, generating shared benefits, making cooperation projects replicable and contributing to the achievement of the Sustainable Development Goals.

While it is true that the countries of Latin America and the Caribbean must actively incorporate the Sustainable Development Goals into their national development plans, the Agenda cannot be achieved with the addition of national initiatives alone. What is required is global governance and new coalitions among governments, the citizenry and the private sector. The United Nations is in the process of reforming its development system to respond more effectively to emerging needs and challenges in areas such as technology and new social imperatives.

The Secretary-General has proposed a number of pillars for a very ambitious reform that must be commensurate with the transformative

and inclusive vision of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals. Guidelines for a change in the development system have been established around the pillars of leadership, consistency, accountability and outcomes, focusing on the following priorities:

- The UN development system must speed up the transition from Millennium Development Goals to Sustainable Development Goals.
- There must be greater emphasis on financing for development.
- A new generation of United Nations country teams (UNCTs) is required, the current role of resident coordinators must be clarified, and they should receive the appropriate allocation of human and financial resources.
- Some changes are required at Headquarters to address its functioning and excessive centralization (in line with administration reform).
- A more cohesive voice on policies for the development of the United Nations system at the regional level is needed, which can be achieved by enhancing the role of regional commissions.
- Accountability, transparency and a results-based approach of the development system must be strengthened.

The United Nations system understands the urgency of this task. Allow me to illustrate with some innovative cases that ECLAC, the United Nations system in the region and the countries have undertaken in the form of several South-South and triangular cooperation initiatives at the regional and subregional level.

Multilateral debt restructuring is an urgent issue in our region—in particular for Caribbean countries—and should take into account the specific capacity of each country to cope with their debt burden. In 2013, the total public debt-to-GDP ratio of ten countries of the Caribbean (Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Jamaica, Saint Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines) ranged from 76% to 130%, above the threshold at which debt is considered unsustainable. In 15 countries of the Caribbean (the 10 already mentioned, plus Anguilla, Guyana, Montserrat, Suriname, and Trinidad and Tobago) total public debt, both domestic and external, was equivalent to 72% of the subregion's GDP, totalling close to US\$ 50 billion. Of this, approximately US\$ 30 billion corresponded to domestic debt and close to US\$ 18 billion to external debt, of which 46% was owed to private creditors and 54% to public creditors.

These high levels of indebtedness reflect the economic and environmental vulnerabilities of these countries and have become a

hindrance to their development. As an example, it is estimated that between 2000 and 2014, natural disasters caused at least US\$ 27 billion in damages in the English-speaking Caribbean.

Accordingly, in the framework of the United Nations Climate Change Conference in Paris last year, ECLAC proposed a strategy to reduce the external public debt of English-speaking countries of the Caribbean, considered small island developing States, through the establishment of a regional resilience fund to finance climate change adaptation and mitigation measures. This resilience fund would be financed through instruments such as debt swaps for climate change adaptation and mitigation, which would require interaction between multilateral institutions, donor countries and debtor countries. Funding sources for this mechanism could come from global funds for climate change. In return, recipient countries would have to commit to allocating the resources saved on debt servicing payments to this Caribbean resilience fund —devoted to financing climate change mitigation and adaptation measures— which would be managed by a sound and reliable financial institution. This proposal was warmly welcomed by the Caribbean countries and has even been endorsed by a number of Latin American countries.

Cognizant of the urgent challenges they currently face and looking towards 2030, the countries of Latin America and the Caribbean

understand the urgent need to seek regional consensus and strengthen the region's architecture and its voice in global forums on sustainable development. To that end, they created the Forum of the Countries of Latin America and the Caribbean on Sustainable Development, aimed at encouraging cooperation among peers through the exchange of experiences, best practices and shared learning, and promoting a comprehensive, coherent and more efficient implementation of the 2030 Agenda.

The Forum —which held its first meeting last April in Mexico City and will be held annually under the auspices of ECLAC— is a mechanism which establishes a new participatory multi-stakeholder methodology and whose outcomes were presented in the regional contribution to the high-level political forum, which meets every July in New York.

This Forum provides a space in which the countries of the region can reflect on their medium- and long-term strategies, thus strengthening regional integration as an essential tool for meeting global challenges.

It is a central mechanism for achieving the Sustainable Development Goals in the region, enhancing peer learning and policy dialogue on the key means of implementation for achieving the Agenda, sharing best practices on institutional mechanisms for the follow-up of the Agenda

and on the new challenges in measuring the 232 indicators of the Sustainable Development Goals.

In addition, ECLAC makes its intergovernmental architecture available at the thematic level for discussions and regional dialogues that analyse the key means of implementation of the 2030 Agenda and share experiences in this area. In order to enhance the development of key policy tools needed to implement the 2030 Agenda at the regional and subregional levels, ECLAC provides governments, representatives of civil society and the private sector forums such as the Regional Conference on Population and Development, the Regional Council for Planning, the Committee on South-South Cooperation, the Regional Conference on Science and Technology, the Regional Conference on Women, the Statistical Conference of the Americas and the Caribbean Development and Cooperation Committee. In each of these, ECLAC prepares front-line analysis on new trends in each area, together with analytical proposals focused on sustainable development and regional follow-up instruments, such as action plans. Recently, ECLAC has worked with countries to develop and monitor a new generation of regional agreements which include the Montevideo Consensus on Population and Development, the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable

Development Framework by 2030 and the Digital Agenda for Latin America and the Caribbean (eLAC 2018).

These examples reinforce the idea that the region needs to develop its own approach to South-South and triangular cooperation, tying it in with a broad and multifaceted concept of development capable of improving quality of life and fostering sustainable and inclusive growth processes that redress the social and productive inequalities typical of countries in Latin America and the Caribbean.

These new, complementary South-South and triangular cooperation agreements will be relevant to the extent that they enable shared learning and mutual support in the region. Development is essentially a political issue that requires establishing regional agreements to improve productivity, promote full employment, safeguard the environment and enable the region to take part in the fourth industrial and technological revolution, among other things.

The time has come to leave behind the classic premise of development assistance whereby rich countries provide help and prescribe the actions developing countries should take to fight poverty. Today we must form a global compact that expresses solidarity with future generations, who will inherit a world marked by greater uncertainty and more severe shortages of natural resources. It also means calling

for international agreements—in trade, environmental and social spheres—that adhere to the principle of shared but differentiated responsibilities, to ensure that it is not the poor or the most vulnerable countries who end up bearing the brunt of these higher costs.

To face this challenge, the countries in the region can count on the ongoing commitment of ECLAC to fulfil the tasks entrusted to us with professionalism and dedication.

I am convinced that our joint efforts will help us to write a new chapter in our region's history, with a view to achieving the 2030 Agenda and fulfilling our desire of becoming an integrated Latin America and the Caribbean, a region in which equality is at the centre of sustainable development.

ECLAC has also identified four key pillars of action: integrating the Sustainable Development Goals into national development plans and fiscal architecture, designing and monitoring implementation in a difficult economic context, fighting tax evasion (which represents 6.7% of the region's annual GDP), and promoting science, technology and innovation.

Strengthening regional architecture to follow up the 2030 Agenda is also important, as is increasing statistical capacity in a context of the data revolution in order to enable the monitoring of SDG indicators

using increasingly disaggregated and georeferenced data from both traditional and non-traditional sources.

The 2030 Agenda and the Sustainable Development Goals are universal and indivisible, not only in that they seek the inclusion of all countries, but also in that their fulfilment makes sense only if approached on a planetary scale. This is also true because national efforts can be either enhanced or severely compromised in the absence of global and regional cooperation.

In the same way, the Development Cooperation Forum —held today within the framework of the 2018 high-level political forum on sustainable development and the BAPA+40 meeting to be hosted by the Government of Argentina in 2019— provides an important space for peers, countries and the United Nations system to reflect and exchange knowledge on the new challenges for cooperation.

Thank you very much.