



**SOUTH-SOUTH
COOPERATION: TOWARDS
ACHIEVING
THE DEVELOPMENT AGENDA
OF THE SOUTH**

H.E. DR. ALBERTO G. ROMULO
Special Presidential Envoy to the Second South Summit and
Secretary of Foreign Affairs of the Republic of the Philippines

Doha, Qatar, 16 June 2005

Introduction

Allow me at the outset, to express my congratulations to Your Excellency, for steering our work in the Group of 77 and China during this important period. I also wish to express, on behalf of the Philippine Government and the Philippine delegation, our heartfelt appreciation to the Government and people of the State of Qatar, for their warm hospitality and excellent arrangements for our gathering today.

The Second South Summit could not have come at a more critical juncture in the history of development (cooperation) for the developing countries in the South. Our meeting here today is set against the backdrop of a fast changing world economy, the evolving international economic order as well as the challenges and opportunities brought about by globalization.

Moreover, we are gathered here in the beautiful city of Doha, at a time when the international community prepares to review the progress and implementation of the internationally agreed development objectives, including the Millennium Development Goals, which have been agreed upon in 2000. It is opportune that we also gather five years after the 1st South Summit to review the progress achieved in the implementation of the Havana Declaration and its Plan of Action. These documents, no doubt, provide the Group of 77 with a solid foundation – a vision, a roadmap and a strategy – for promoting and strengthening South-South cooperation. The results of our meeting therefore, serve as important inputs to the September event.

Our gathering here today presents an opportunity to galvanize the ties that bind the countries in the South, as well as articulate and pursue a development agenda that represents the true aspirations and priorities of our peoples.

By the end of our meeting and by time we meet with our developed partners three months from now, we shall have re-affirmed the validity and similarity of our interests anchored on our common goals and ideals; our common vision for peace; and our common development agenda for the 21st century.

The Development and Peace Agenda of the South

Poverty, sustainable development and their inter-linkages with peace and security present the major development agenda for the South.

To paraphrase the Secretary General: there can be no development without security and there can be no security without development. Indeed, development must remain at the core of the United Nations agenda. While we must take cognizance of the imperatives of peace and security concerns, including our fight against terrorism and the sanctity of promoting human rights, we must remain conscious of the fact that development is an indispensable foundation for a new collective security as emphasized by the report of the *High-level Panel on Threats, Challenges and Change*.

Inter-Faith Dialogue and Building Peace

On our part, and working closely with other nations, we have been actively promoting interfaith dialogue as a means to building greater understanding, tolerance and peace.

Last year we received unanimous support for our historic UN General Assembly resolution on interfaith dialogue. This month, in partnership with other countries, UN agencies and civil society, we will be convening the Conference on Interfaith Cooperation for Peace at the United Nations in New York.

We thank all nations, particularly you, our partners from the developing nations, for your strong support for our effort to build peace and stability through interfaith dialogue.

Developing Countries: Partners for Peace

In recent decades, we have been seeing increasing cooperation between developing countries in the cause of peace.

In my country, our search for peace has been greatly aided by friends from developing countries. The Organization of the Islamic Conference played a crucial role in the successful conclusion and implementation of one peace agreement in my country. Individual members of the OIC, led by Malaysia, are actively engaged in our efforts to conclude another peace agreement.

After winning the peace, development was not far behind. Our post-conflict areas are experiencing growth and progress. With peace, our people can once again hope and dream of a better future.

We deeply appreciate the cooperation given to us by these developing countries as our partners for peace and progress.

These are dimensions of South-South cooperation that serve to show that, together we can succeed.

The Many Fronts of Our Development Agenda

Against this backdrop, the Group of 77 and China is thus called upon to pursue a proactive, coherent and comprehensive development agenda.

In addition to trade, investment and ODA, the development agenda of the South should also focus on such issues as: debt, transfer of technology, health, knowledge sharing, commodity management and food security, affordable medicines, education and literacy, human capacity building, disaster mitigation, and migration and development.

For the Philippines, such an agenda should give impetus to the issue of migration and development, the debt burden of middle-income countries, and science and technology, among other concerns. It should also focus on greater

coherence among G-77 member countries in the multilateral fora such as the United Nations, the Bretton Woods Institutions and the World Trade Organization.

Migration is an important issue that merits the attention of all countries, particularly those in the South. The developing countries should be active in engaging the participation of developed partners and other institutional or sectoral stakeholders to address the important nexus between migration and sustainable development. Like globalization, migration is a phenomenon that engenders challenges and opportunities for countries of origin, transit and destination. It therefore deserves effective international cooperation in order to harness its beneficial benefits, particularly in promoting the welfare of migrant workers and their families.

The debt issue of the Heavily Indebted Poor Countries (HIPC) and the middle-income countries is equally important and should be seriously considered by developed partners. It is high time for developing countries to promote "debt-for-development swaps." Debt-for-development swaps afford us the opportunity to channel our meager resources to development goals and priorities rather than funneling them to servicing our burgeoning debt.

We welcome the decision of the G-7 to write off the debt of 18 heavily indebted countries. But this should be part of a sustained package that includes reasonable and timely development assistance and programs to ensure that debt relief is maximized. Actions such as the elimination of agricultural subsidies by developed countries should also accompany any debt relief agenda.

This recent write-off should also not be the first or one or two debt relief actions. "Debt-for-development swaps" should also be considered, particularly for other debtor countries. Debt-for-development swaps afford us the opportunity to channel our meager resources to development goals and priorities rather than funneling them to servicing our burgeoning debt.

The rising price of oil holds the potential to put the brakes on the economic expansion of the developing countries. The poorest among us suffer the most when high oil prices trigger higher prices in food, energy and transportation.

Over 85 percent of the world's oil supply comes from developing countries. A number of G77 and China countries have radically increased their demands for oil to fuel their growing economies. Clearly, there is much that developing countries can do to help address this issue.

I would like to reiterate the call of H.E. President Gloria Macapagal Arroyo, made at the historic Asia-Africa Summit last April in Jakarta, for greater unity among the developing countries for stronger collective action towards preventing a full-blown economic crisis that could be triggered by an unsustainable level of crude oil prices. We must do our share in pushing for greater stability in oil prices and in offering solutions that will temper the volatility of crude oil prices.

In doing all this, there is also a need to strengthen the role of the UN in promoting development. The founding principles of the United Nations should be

considered inviolable. The sovereign equality of States, the peaceful settlement of disputes and the principle of non-interference may have to be reconciled with the principle of the responsibility to protect.

Achieving the Development Agenda

The Philippines believes that the development agenda of the South is anchored on the achievement of the internationally agreed development objectives, including those contained in the Millennium Development Goals (MDGs).

Crucial to this end, however, are action and implementation of the commitments made in various multilateral meetings and conferences over the last decade in the economic and social fields, particularly those outlined in the Monterrey Consensus and the Johannesburg Plan of Implementation.

First, while it is the primary responsibility of the developing countries to pursue their own development goals, there is a need, however, to help each other improve the institutional and physical infrastructure facilities of developing countries in order to improve their environment for both domestic and foreign investment.

- On trade, the Group of 77 has to strengthen its resolve to realize the successful conclusion of the Doha work program consistent with the development needs and priorities of the developing countries. We should also work towards greater participation in the launching of the third round of GSTP. The increase in trade among developing countries (which has now reached 40% of the global trade) is a source of encouragement and optimism for countries in the South.
- The Group of 77 should also utilize the indigenous resources available in the South. We can depend on the existence of appropriate and adaptable technology in some developing countries that can be promoted through South-South cooperation. This can be done in the form of exchanges of expertise and experiences among research institutions and universities, promotion of education and technical skills, development and technology transfer.
- The G-77 also needs to engage the participation of other stakeholders: UN institutions and organizations of the South, such as the South Centre, the UNDP Special Unit for South-South Cooperation, and UNCTAD, particularly in studying new sectors such as services and creative industries.

Second, the efforts by the developing countries should be complemented with assistance by the developed countries and the support of the international financial institutions. Related to this, increased resource flows by developed countries to improve and promote domestic productive capacity of developing countries is paramount. This is particularly true in meeting the 0.7% of GNP target for ODA.

And third, developing countries should explore the vast potentials of South-South cooperation in achieving their development goals. While South-South cooperation is a primary responsibility of countries in the South, the Group of 77 should also promote triangular cooperation to complement existing cooperative

endeavors in the South. South-South cooperation should focus more on enhancing the productive capacity of the developing countries in order to further facilitate their integration into the global economy.

In other words, there is a need to intensify cooperation at all levels – bilateral, sub-regional, regional and inter-regional, and international. The Philippines has had positive experiences in inter-regional cooperation such as those in ASEAN, APEC, ASEM, and FEALAC, to name a few. This type of cooperation has yielded concrete projects aimed at fostering greater social, economic and cultural cooperation.

During the 2003-2004 biennium and within its modest resources, the Philippines had been involved in training 26 participants from six countries. Moreover, in cooperation with Japan, the Philippines had pursued trilateral cooperation for Timor Leste to help the latter in its capacity-building efforts.

Willingness to Sacrifice

In pursuing our goals, we must also be ready to take on our share of responsibility. We have shown that we have the capacity to manage our economies and govern our countries. In many cases, this has meant certain sacrifices and I commend the countries of the South for their commitment to good governance and to reform.

Our own experience bears out this truth. We took decisive action and implemented fiscal and economic reforms aimed at undoing layers of neglect and corruption in our revenue system. These were tough decisions and some would say unpopular ones. But the first phase of our economic reform agenda has been completed.

We have adopted revenue generating measures that will provide up to almost two billion dollars in new annual revenue, a law that encourages tax and customs workers to intensify collections, administrative reforms to improve tax collection, a fiscally responsible budget.

Conclusion

The long history and contribution of developing countries in promoting South-South cooperation is an important dimension in the development strategy of the developing world.

As the Group of 77 and China face the tides of globalization, the unity and solidarity that so well characterized the Group over the last 40 years should remain as its strong foundation in meeting the manifold challenges in pursuit of the Group's development agenda for the 21st century.

Thank you.