

11 JULY 2018

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**Executive Director of the South Centre**

Wednesday 11 July 2018  
10:30h, Room V  
Palais des Nations, UNOG

**Introduction**

Excellencies, Delegates,

- Let me begin by expressing my deep gratitude to H.E. Mr. **Farukh Amil**, of the Islamic Republic of Pakistan, Chair of the Group of 77 and China in Geneva, for inviting me to interact with you in this briefing. Excellency, the Group of 77 and China is the biggest group of developing countries working together in the UN system to promote the rights and interests of their peoples in the multilateral arena, and your leadership of the Geneva chapter these past six months has clearly highlighted the importance of the Group.
- As this is the first time I address you as the Executive Director of the South Centre, I deem it to be a great privilege and honour to be able to brief you on the work of the South Centre and how I intend to take the South Centre forward in serving not only many of you that are member States of the South Centre but also the broader Global South through our cooperation with and support for the Group of 77 and China, the Non-Aligned Movement, and other developing country groups active in the multilateral arena. Through this work, I hope to be able to strengthen and further enhance the historical and long-standing collaboration between the South Centre and the Group of 77 and China.
- This is an excellent opportunity to have this discussion with you on key issues of common concern and of relevance to both the Group of 77 and to the South Centre. Additionally, I also look forward to hearing from you your views on how you think

that we in the South Centre Secretariat can provide greater support to the Group of 77 in your daily work.

- The Group of 77 and the South Centre share a common foundation in our institutions' shared belief in the value and importance of South-South cooperation as the basis for collective action in the multilateral arena in defending and promoting the common rights and interests of developing countries in achieving prosperity and development in accordance with the principles and objectives of the United Nations Charter. The vision of Dr. Raul Prebisch, the first Secretary-General of UNCTAD, was instrumental in the events that led to the formation of the Group of 77 in 1964 at the end of UNCTAD I in order to carry forward the ideas from the Final Act of UNCTAD I for the establishment of an international economic order that is more fair and equitable.
- I and the staff of the South Centre Secretariat look forward to being able to meet with the Group of 77 frequently and to working with you together to monitor developments and to identify the most pressing challenges and priority areas of work for the Global South. It is my hope that the Group here in Geneva will continue to take advantage of the fact that the South Centre Secretariat is also based in Geneva. This is a circumstance that will allow us to continue to strengthen our cooperation with the aim of joining efforts and technical capacity so as to enhance the ability of the Group to coordinate and be more effective in the various multilateral negotiating processes taking place in Geneva in which the Group is and can be active.

### **Global Context: Multilateralism under attack**

- The Global South is facing challenging times. There is a crisis of multilateralism as we see a growing level of disengagement and reluctance among many of the Global South's partners in developed countries to pursue multilateral solutions to global challenges as manifested in the undertaking of unilateral, populist and protectionist actions that will have serious impacts on developing countries. This is taking place at a period when the recovery of the world economy from the 2008 financial crisis, which started in the developed world, remains modest and uncertain, with a growing risk that

another debt-driven global financial crisis could take place in the near future particularly hitting hard developing countries. Global trade recovery remains slow, with uncertainty about the sustainability of such recovery increasing as a result of the emerging trade conflicts involving the big trading economies.

- The deterioration of trade relations poses a serious risk to the multilateral trading system and threatens to jeopardize economic recovery and growth in all countries. The use of unilateral measures to force changes in legitimate national industrial and technological policies, the introduction of tariffs under the guise of ‘national security’, the attempt to nullify the role of the WTO's Appellate Body, represent a systemic threat to a rule-based multilateral trading system that developing countries need to face united and with determination.
- There is a need to better understand the development implications of the fundamental technological transformations leading to what has been termed as the ‘digital economy’, including its possible impacts on employment, equality, trade, investment and market concentration. The gains from digital technologies are likely to remain skewed. The extent to which individual countries may benefit or not from these developments will depend on their factor endowments and the capacity to mobilize resources to absorb and utilize the new technologies. Developing countries need to carefully reflect on the best strategies to address these changes; they should not be rushed by the North to adopt conceptual and policy approaches, standards and rules that may create obstacles for implementing the policies of their choice, adapted to their national conditions and priorities.
- Global economic uncertainty and volatility also threaten the full and effective implementation, particularly by developing countries, of the various multilateral agreements of 2015, including the Paris Agreement, the Addis Ababa Agenda for Action on Financing for Development, the UNCTAD XIV Maafikiano, and the 2030 Agenda for Sustainable Development. The role of the G77 and China in continuing to call for strengthened international cooperation and an enhanced global partnership for sustainable development becomes even more vital in this context.

- Additionally, South-South Cooperation will have to play a more active complementary role in the years to come to create alternative sources of trade and investment and resilience in the Global South.

### **The South Centre**

- As you know, the South Centre was created by our member States in 1995 to support developing countries to develop and to strengthen their own collective self-reliance and to contribute to the strengthening of multilateralism through a more active and engaged Global South in multilateral relations. This vision of the role of the South Centre came from the Report of the South Commission in 1991 which examined the economic and development problems of the developing countries and the challenges that they face in pursuing their development.
- The South Centre is unique among the South's institutions in that it is the sole multilateral intergovernmental policy research think tank composed of and accountable to developing country member States. This role of the South Centre has been recognized and emphasized by the Group of 77 repeatedly, including in the outcome documents of the 2000 Havana South Summit and the 2005 Doha South Summit.
- The challenges to the South identified by the South Commission in the early 1990s continue to be present today, including growing external debt; technological divide and technological dependency; the need to enhance financing for development; an imbalanced global economic and financial system; the need to improve cooperation among developing countries; the need to focus on improving industrial productive capacity in the South; the need to build self-reliance, nationally and collectively, in the Global South; and for the South to be more united and coordinated in their engagement in global affairs. At the same time, of course, we should also recognize that many developing countries have made significant strides in their development and economic growth, resulting in impressive increases in the quality of growth and standards of living for their populations. This dynamic provides all developing countries with both opportunities and challenges that can be best met through strategic unity, solidarity, and cooperation among developing countries. The South Centre is

here to help developing countries in this endeavour. It will provide a forum for dialogue and for identifying the common denominators that may allow developing countries as a whole to improve their capacity to achieve their common objectives.

- Today, fifty-four of the Group of 77's members are member States of the South Centre; we welcomed the State of Palestine last year as our newest member State. We hope that more of the Group of 77's members which are not yet member States of the South Centre would consider joining the Centre as an expression of solidarity and recognition of the value of our work for the developing world. Your political support to the strengthening of the South Centre, the multilateral think tank of the South, is greatly appreciated.

### **South Centre Priorities**

- The South Centre's Secretariat will endeavour to strengthen, within the Work Programme approved by the Board, its policy research and analysis on multilateral development issues that are of relevance and interest to developing countries, as well as to provide developing countries with technical support in a variety of multilateral policy negotiations and discussions. These are core components of our work ever since the creation of the Centre which the Centre has been able to carry out not only with respect to issues that are dealt with here in Geneva but also those issues, such as climate change, financing for development, the SDGs, and others, that have been the subject of multilateral negotiations elsewhere in the UN system.
- In this regard, addressing the development issues and challenges that developing countries face will be a key priority for me, and we will seek to continue helping developing countries to better understand the development implications of the various negotiating processes and policies for their development needs, particularly in relation to the international trading system, the sustainable development agenda, the global intellectual property regime, climate change, investment, the economic and social human rights agenda, the global economy and finance including international debt and financing for development, global health and access to medicines. We will also continue to work on emerging issues, such as antimicrobial resistance, illicit financial flows, tax avoidance and evasion.

- The South Centre intends to initiate soon a vast program to expand the use at the national level of the so-called ‘TRIPS flexibilities’, such as compulsory licenses and other exceptions to patent rights, which are essential, inter alia, to improve market dynamics and facilitate access to medicines, especially by the poor.
- The South Centre will continue to work with the Group of 77 on UNCTAD issues. We have supported the Group through providing technical inputs and assisting the Group in the preparatory process and during the negotiations of the UNCTAD quadrennial conferences and daily work of the organization. We look forward to working with you in the coming months to prepare for the Mid-term Review for the Nairobi Maafikiano that will take place in October 2018 and in the preparations for UNCTAD XV.
- UNCTAD remains one of the key UN bodies that have traditionally been very supportive of developing countries' development interests. However, it needs to be revitalized, particularly its ability to deliver on a holistic analysis of global macroeconomic development trends and reach strong intergovernmental policy outcomes designed to help developing countries achieve their development goals. To do this, UNCTAD needs clear guidance from and the strong support of the Group of 77, in order to ensure that UNCTAD remains true to its original mandates and does not become a mere technical assistance agency. In this context, strengthening the intergovernmental arm of UNCTAD through enhancing the work of UNCTAD's intergovernmental machinery such as the Trade and Development Board, the Commissions and Intergovernmental Groups of Experts would be necessary.
- Investment policy reform is also another important area of work in which the South Centre can support the Group. Our on-going work to support developing countries to review and reform international investment agreements can be of great relevance to related work in the Human Rights Council, UNCTAD, UNCITRAL, and the WTO. We will work with the Group of 77 here in Geneva and in New York (where the South Centre will continue to be represented) on international tax cooperation, debt, and financing for development issues.

- The South Centre will actively support efforts to realize the right to development as an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development. The Centre will pay particular attention to South-led initiatives, such as the development of an international legally binding instrument on transnational corporations and other business enterprises with respect to human rights, the UN declaration on the rights of peasants and other people working in rural areas, and a regime against the misappropriation of genetic resources and for the protection of traditional knowledge and cultural traditional expressions,.
- I look forward also to interacting with the different sub-groups of the G77 and China to hear your regional concerns and requests as well as the interregional groups such as LDCs, SIDS, Landlocked Developing Countries, the African Group among others.
- Another important area of work is South-South cooperation and we hope that the G77 and China Geneva chapter will engage proactively in the preparations for the UN Second Conference on South-South Cooperation to take place in Buenos Aires, Argentina from 20-22 March 2019. In this regard, we look forward to organizing jointly briefings for delegations on the process so that we can provide substantial inputs to G77 and China colleagues in New York where negotiations on the outcome will take place starting on the second semester.

### **Strengthening the Role of the G77 and China in Geneva**

Excellencies,

- We are fortunate in that Geneva is an international centre for multilateral policy discussions and negotiations in the economic, social, and environmental areas. While the South Centre remains committed to engaging with and supporting the Group of 77 on UNCTAD issues, I believe that it is also important for the Group of 77 to be actively engaged and influence the work in other international bodies like WIPO, WHO, ILO, IOM, ITU. This would be in fulfilment of long-standing mandates given to the Geneva chapter by the G77's ministers for the Geneva chapter to be present and active in the many other international organizations undertaking multilateral

negotiations in the development field. In particular, the South Centre may support collective work in areas of development relevance such as intellectual property in WIPO, health in WHO, e-commerce, Internet governance and the digital economy in UNCTAD, WTO, and ITU.

- Another important area which will require greater attention of Geneva-based delegations is the implementation of the UN Development Reform. Last May 30 the General Assembly adopted the draft resolution on the Repositioning of the UN Development System. The South Centre looks forward to working with the Group together to better assess the impact and monitor implementation making sure that our interests and key organizations are maintained and further strengthened. The Development pillar of the UN is key for developing countries and the G77 and China is the main guardian of this pillar.

## **Concluding Remarks**

Excellencies,

- As I said in my inaugural message to the membership of the South Centre: while fully recognizing the diversity in the national situations and priorities of developing countries, the Centre will seek to promote the unity of developing countries. Our main goal is to contribute to consolidating South unity in diversity – this is an objective that we need to meet on the basis of dialogue and effective South-South cooperation.
- I will use the best of my knowledge and experience to help our countries to work united behind an agenda that can collectively improve their capacity to preserve the space needed to implement the policies they choose to achieve a sustainable and inclusive development. This unity is particularly critical in the current scenario of serious attacks against multilateralism and the legitimacy of development policies implemented by some of our countries to increase their participation in global trade, expand local value added, promote industrial diversification and technological catching-up.



- I intend to consolidate the role of the South Centre by strengthening its capacity to conduct policy-oriented research and to provide technical support on key policy development issues. The Secretariat of the Centre will continue to assist developing countries in creating a collective consciousness about their role and to better address the challenges and opportunities arising in multilateral affairs.

Thank you.

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