

**Review of**  
**SOUTH-SOUTH**  
**COOPERATION**

**In the implementation of  
the Vienna Programme of Action**

**FOR LANDLOCKED**  
**DEVELOPING**  
**COUNTRIES**

**in the decade 2014-2024**



**Note:**

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# LIST OF ACRONYMS

ADB	Asian Development Bank
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AI	Artificial Intelligence
AUC	African Union Commission
BAPA	Buenos Aires Plan of Action
BRI	Belt and Road Initiative
BRICS	Brazil, Russia, India, China and South Africa
CAREC	Central Asia Regional Economic Cooperation
CCCC	China Communications Construction Company
CCTO	Central Corridor Transport Observatory
COMESA	Common Market for Eastern and Southern Africa
DFI	Development Finance Institution
EAC	East African Community
ECLAC	Economic Commission for Latin America and the Caribbean
ECOWAS	Economic Community of West African States
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
GMS	Greater Mekong Subregion
GPI	Global Partnership Initiative
IA-CEP	India-Africa Clean Energy Partnership
ICT	Information and Communications Technology
IDA	International Development Association
IFC	International Finance Cooperation
IRENA	International Renewable Energy Agency
IsDB	Islamic Development Bank
ITEC	Indian Technical and Economic Cooperation
ITIFP	India-Africa Trade and Investment Facilitation Programme
ITU	International Telecommunication Union
LAPSSET	Lamu Port-South Sudan-Ethiopia Transport

LLDCs	Landlocked Developing Countries
NPoA	New Programme of Action
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OSBPs	One-Stop Border Posts
PPP	Public-Private Partnership
R&D	Research and Development
RTAs	Regional Trade Agreements
SACU	Southern African Customs Union
SADC	Southern African Development Community
SDGs	Sustainable Development Goals
SEZs	Special Economic Zones
SMART	Specific, Measurable, Achievable, Relevant, and Time-bound
STEM	Science, Technology, Engineering and Mathematics
TCDC	Technical Cooperation among Developing Countries
TFTA	Tripartite Free Trade Area
UAE	United Arab Emirates
UNCDF	United Nations Capital Development Fund
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Development Programme
UNECA	United Nations Economic Commission of Africa
UNECE	United Nations Economic Commission for Europe
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization
UN-OHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
UNOSSC	United Nations Office for South-South Cooperation
VPoA	Vienna Programme of Action
WCO	World Customs Organization
WDI	World Development Indicators
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

# EXECUTIVE SUMMARY

The 32 landlocked developing countries (LLDCs) face inherent disadvantages and special development challenges. Lack of direct access to the sea, isolation from the world markets, and high trade and transport costs have seriously hindered their development. These challenges are further exacerbated by insufficient infrastructure connectivity. At present, LLDCs are grappling with the lingering impacts of COVID-19 pandemic, geopolitical tensions, rising conflicts, surging inflation, elevated energy and food prices, and supply chain disruptions. In addition, LLDCs are being disproportionately affected by climate-induced hazards and disasters.

The Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014-2024 (VPoA) was aimed at addressing the special development needs and challenges of landlocked developing countries in a more coherent manner with a view to accelerating the pace of sustainable and inclusive growth, and thus moving towards the goal of ending extreme poverty in LLDCs. It was based on revitalized and strengthened partnerships involving LLDCs, transit countries, and development partners. The VPoA recognized that strengthened partnerships within the context of South-South and triangular cooperation are essential, and acknowledged that they would involve partnerships with relevant international and regional organizations, and between public and private sector actors. The emphasis on partnerships was expected to unlock resources, tap into expertise, and generate innovative solutions, with the goal of expediting the development of LLDCs in the priority areas of the VPoA.



However, over the past decade, progress in implementing the VPoA has been mixed. More needs to be done by various stakeholders to enhance the prospects of fulfilling the objectives of the programme. During regional reviews of the implementation of the VPoA carried out in 2023, Member States emphasized building multi-stakeholder partnerships and encouraged the strengthening of South-South and triangular cooperation as complementary avenues for resource mobilization and knowledge sharing. Member States recognized the value of South-South and triangular cooperation in enhancing the growth and sustainable development of LLDCs through the exchange of best practices, human and productive capacity building, financial and technical assistance, and technology transfer on mutually agreed terms.



The objective of this diagnostic paper is to analyse South-South cooperation in the implementation of the VPoA, identify challenges and shortfalls, share best/good practices, and put forward recommendations for scaling up South-South and triangular cooperation in achieving the goals and targets of a new Programme of Action for LLDCs. The methodological approach of this paper involves review of literature on international development with a focus on the role of South-South cooperation; extensive data mining into the activities of South-South and triangular cooperation during the implementation of the VPoA; and a stakeholder survey that provides insights from those actively involved in the implementation of the VPoA.

The findings of the study revealed that South-South cooperation was prominent and played important roles in the progress recorded in the implementation of the VPoA. South-South cooperation delivered support to LLDCs through different modes including trainings, study tours, capacity building programmes, public-private partnership, specialised funds and joint R&D activities, amongst other factors. However, South-South cooperation faced a wide range of challenges in the implementation of the VPoA. These challenges include poor resource mobilization, insufficient political support, inadequate regulatory framework, poor alignment with development priorities, and conflicts/wars, amongst others. In the meantime, triangular cooperation during the implementation of the VPoA had access to more resources and delivered support particularly in areas of funding and technical support.

The study clearly indicates the high prospects for South-South cooperation in support of a new Programme of Action for LLDCs in the next decade. It is however important to take cognisance of the associated challenges in scaling up South-South cooperation in the formulation and implementation of a new Programme of Action. The top two key VPoA priority areas that are identified as likely to attract more involvement of partners in a new Programme of Action are infrastructure development and maintenance and international trade and trade facilitation. It is particularly noteworthy that emerging economies from the global South are increasingly providing support to LLDCs, showing potential for expanding the scale and scope of South-South cooperation for a new Programme of Action.



The findings of the study also demonstrate that improved digital connectivity, application of modern technologies, and addressing climate change and energy transition present new opportunities for Southern partners in a new Programme of Action, and have high prospects of attracting support from international financing mechanisms. The study concludes that there is need to consolidate and improve on the achievements in the priority areas of the VPoA in the design of a new Programme of Action.

Based on these findings, the following are key recommendations for scaling up South-South and triangular cooperation in support of the implementation of a new Programme of Action for LLDCs in the next decade:

1. **Strengthen the ecosystems and capacities for effective South-South cooperation:** South-South cooperation has become a crucial means of implementation for sustainable and inclusive development. To scale up South-South cooperation, LLDCs must enhance institutional capacity, develop robust monitoring systems, actively participate in knowledge-sharing platforms, and increase advocacy for increased financial and technical support from all stakeholders.
2. **Mobilize resources by establishing South-South development finance facility and leveraging diverse funding mechanisms:** The establishment of a dedicated South-South development finance facility will help channel resources specifically towards LLDC development projects and programmes. This should in no way preclude the utilization of existing funding mechanisms from international organizations, development partners, and multilateral and regional development banks to support South-South cooperation initiatives.
3. **Prioritize regional integration and cooperation:** Governments of LLDCs and their transit neighbours should leverage the South-South cooperation framework and allocate adequate resources to regional integration efforts and exhibit strong political will in supporting regional integration by dismantling bureaucratic obstacles to its progress.
4. **Focus on specific sub-regional groups:** Recognizing diverse needs among subgroups of LLDCs is very important for their transformative development. South-South cooperation can be very helpful in developing tailored strategies and initiatives catering to the unique characteristics of the groups of LLDCs.
5. **Leverage South-South cooperation to promote technology acquisition and diffusion of new technologies as key drivers of structural economic transformation:** LLDCs should leverage South-South cooperation to promote technology acquisition and the diffusion of



new technologies as key drivers of structural economic transformation. Upscaling South-South cooperation should emphasize initiatives on expanding the participation of LLDCs in the digital economy and enhancing their innovative capacities to harness technological opportunities and optimize the use of new and emerging technologies. The technological know-how from the Southern partners also holds great promise for green technology applications and for accelerating the transition to clean and renewable energy in LLDCs.

6. **Cooperate in the pursuit of sustainable agriculture and food security:** LLDCs should strategically prioritize South-South and triangular cooperation for sustainable 1. Woman agriculture and food security. This approach is essential to fortify food security and mitigate the adverse effects of climate change on agricultural systems. Investing in the development of resilient crop varieties and enhancing farmers' access to markets become more impactful when undertaken collectively through South-South and triangular cooperation.
7. **Employ South-South and triangular cooperation to facilitate transit transport connectivity and promote trade facilitation:** Connectivity remains at the core of the challenges faced by LLDCs. Enhanced transit transport is indispensable for improved trade activities and structural economic transformation. Fostering stronger collaboration with transit countries and efficient corridor management are critical for access to international market by LLDCs and their participation in global value chains.
8. **Collaborate for disaster risk reduction and resilience building:** The heightened vulnerability of LLDCs to natural disasters necessitates strengthening resilience, especially through South-South cooperation. This involves knowledge sharing, peer learning, cost-efficient and innovative solutions for the deployment of early warning systems, the empowerment of community-based disaster preparedness, and the enhancement of infrastructure resilience.
9. **Empower South-South cooperation to strengthen the development and peace nexus:** Rising geopolitical tensions and conflicts are jeopardizing the development of many LLDCs. South-South cooperation is anchored in the spirit of solidarity and trust among partners. It provides a useful tool to mitigate crises through policy coordination and enhancement of institutional capacity by peer-to-peer learning and sharing of best practices. Similar development path and cultural proximity are also conducive to promoting dialogues that address emerging challenges and crises.



10. **Engage in policy advocacy on South-South cooperation:** LLDCs should intensify efforts in promoting public awareness and understanding about the importance of South-South cooperation and the challenges faced by LLDCs among the public and policymakers. The International Think Tank for Landlocked Developing Countries can strengthen its role in research and policy engagement activities that will foster South-South cooperation in support of implementation of the new Programme of Action.
  
11. **Promote knowledge management and monitoring & evaluation:** Creation of online repositories and databases to share best practices, resources, and success stories related to South-South cooperation in the development of LLDCs will be very helpful in fast-tracking the implementation of the PoA. Establishing robust monitoring and evaluation mechanisms that regularly monitor progress towards achieving the objectives, measure impact, and identify areas for improvement should be a major aspect of the means of implementation of the PoA. This will serve to enhance the capacity and accountability of LLDCs through open communication and robust monitoring and reporting on the implementation of the PoA and effective utilization of resources.

1.

# INTRODUCTION



# 1. INTRODUCTION

The Vienna Programme of Action for the Landlocked Developing Countries (LLDCs) for the Decade 2014-2024 (VPoA) aimed to address the special development needs and challenges faced by LLDCs. It was based on renewed and strengthened partnerships between LLDCs, transit countries and development partners. The VPoA recognized the imperative of strengthened partnerships within the context of South-South and triangular cooperation, as well as strengthened partnerships with the relevant international and regional organizations and between public and private sector actors. Its overarching goal paid particular attention to the development and expansion of efficient transit systems and transport development, enhancement of competitiveness, expansion of trade, structural transformation, regional cooperation, and the promotion of inclusive economic growth and sustainable development to reduce poverty, build resilience, bridge economic and social gaps, and ultimately help transform LLDCs into land-linked countries (United Nations, 2014). Box 1.1 succinctly presents the six priority areas and the specific objectives of the VPoA.

There are 32 landlocked developing countries distributed across four continents as shown in Table 1.1. These nations, which are mostly low-income or lower-middle-income developing countries,<sup>1</sup> grapple with multifaceted development challenges. Like other developing countries, they lack requisite resources and capacity to cope or effectively participate in global economic competition; and their situation is compounded by lack of territorial access to the sea, remoteness and isolation from world markets. These geographical disadvantages have resulted in additional border crossings, cumbersome transit procedures and inefficient logistics systems. As a result, LLDCs incur substantially higher transport and other trade transaction costs when compared to coastal countries. In addition, LLDCs are characterized by weak institutions and poor infrastructure which further aggravate transaction costs and constrain efficient production of goods and services. The high costs present a tremendous trade-reducing effect that retards economic growth and puts LLDCs at a disadvantage in realizing the potentials of their sustainable development efforts. (UN-OHRLLS, 2023a).

The global economy is increasingly vulnerable to various shocks and stressors that make achieving agreed global development goals more difficult (United Nations, 2023a). The vulnerability of developing countries has been accentuated by adverse global economic conditions such as stalled growth, surging inflation, rising energy and food prices, supply chain disruptions and elevated shipping and trade costs, and the unanticipated effects of COVID-19 pandemic. As highlighted by the UN Secretary General's report on the implementation of the VPoA (United Nations, 2023b), these pervasive global economic challenges are noted as constraining the ability of LLDCs to recover from the socioeconomic impacts of COVID-19 pandemic. Furthermore, it is observed that the associated constraints to development have been

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<sup>1</sup>The 32 LLDCs comprise 14 low income economies (per capita GDP, \$1,085 or less), 13 lower middle-income economies (per capita GDP, \$1,086-\$4,255), and 5 upper middle-income economies (per capita GDP, \$4,256-\$13,205).

exacerbated by the protracted war in Ukraine and its consequences. It is also troubling that the current Israeli-Palestinian conflict has begun to affect strategic global shipping routes that could inflict additional costs on trade by LLDCs. Moreover, the increasing occurrence and intensity of climate change-induced natural disasters (e.g., desertification, recurrent droughts, biodiversity loss, melting glaciers and floods) have raised significant concerns about adaptation and mitigation strategies, which are critical to the resilience of LLDCs in achieving global development goals.

### **Box 1.1: Six priority areas and specific objectives of the VPoA**

**Priority 1:** Fundamental transit policy issues

**Priority 2:** Infrastructure development and maintenance

- a) Transport infrastructure
- b) Energy and information and communications technology infrastructure

**Priority 3:** International trade and trade facilitation

- a) International trade
- b) Trade facilitation

**Priority 4:** Regional integration and cooperation

**Priority 5:** Structural economic transformation

**Priority 6:** Means of implementation

#### **Specific objectives of the VPoA**

- a) Promote unfettered, efficient and cost-effective access to and from the sea by all means of transport, on the basis of the freedom of transit, and other related measures, in accordance with applicable rules of international law;
- b) Reduce trade transaction and transport costs and improve international trade services through simplification and standardization of rules and regulations, so as to increase the competitiveness of exports of landlocked developing countries and reduce the costs of imports, thereby contributing to the promotion of rapid and inclusive economic development;
- c) Develop adequate transit transport infrastructure networks and complete missing links connecting landlocked developing countries;
- d) Effectively implement bilateral, regional and international legal instruments and strengthen regional integration;
- e) Promote growth and increased participation in global trade, through structural transformation related to enhanced productive capacity development, value addition, diversification, and reduction of dependency on commodities;
- f) Enhance and strengthen international support for landlocked developing countries to address the needs and challenges arising from landlockedness in order to eradicate poverty and promote sustainable development.

**Source:** United Nations, 2014

**Table 1.1: List of landlocked developing countries by regions**

Africa		Asia		Europe	South America
Botswana	Mali	Afghanistan	Mongolia	Armenia	Bolivia
Burkina Faso	Niger	Bhutan	Nepal	Azerbaijan	Paraguay
Burundi	Rwanda	Kazakhstan	Tajikistan	Moldova	
Central Africa Republic	South Sudan	Kyrgyzstan	Turkmenistan	North Macedonia	
Chad	Eswatini	Lao PDR	Uzbekistan		
Ethiopia	Uganda				
Lesotho	Zambia				
Malawi	Zimbabwe				

**Source:** UN-OHRLLS, 2018

In response to the challenges faced by LLDCs, South-South cooperation has gained increasing recognition as a viable and strategic approach to bolster resilience and achieve sustainable development of LLDCs. The objective of this paper is therefore to analyse South-South cooperation in the implementation of the VPoA, identify challenges and shortfalls, share best/good practices, and put forward recommendations for scaling up South-South and triangular cooperation in achieving the goals and targets of a new Programme of Action. The methodological approach of the paper involves review of literature on international development with a focus on the role of South-South cooperation; extensive data mining into the activities of South-South and triangular cooperation during the implementation of the VPoA; and a stakeholder survey that provides insights from those actively involved in the implementation of the VPoA.



2.

**OVERVIEW OF  
INTERNATIONAL  
DEVELOPMENT  
COOPERATION  
LANDSCAPE**



## 2. OVERVIEW OF INTERNATIONAL DEVELOPMENT COOPERATION LANDSCAPE

South-South cooperation encompasses a wide range of collaborative domains spanning technical cooperation, trade, finance, investment, connectivity, private sector development, and regional integration. It has become a fundamental component of international cooperation for developing countries, and expands through various modalities that involve a growing network of participants. Within the United Nations System, South-South cooperation is regarded as “a common endeavour of peoples and countries of the South, born out of shared experiences and sympathies, based on their common objectives and solidarity, and guided by the principles of respect for national sovereignty and ownership, free from any conditionalities”.<sup>2</sup> The process of South-South cooperation thus enables two or more developing countries to pursue their individual and/or shared national capacity development objectives through exchanges of knowledge, skills, resources and technical know-how; and through regional and inter-regional collective actions that may include partnerships involving governments, regional organizations, civil society, academia, and the private sector (UN-OHRLLS, 2022). South-South cooperation thus signifies collaboration among developing countries alongside the traditional North-South cooperation between developed and developing nations.

The emergence of South-South cooperation has been accentuated by the Buenos Aires Plan of Action (BAPA), the BAPA+40 conference (which commemorated the 40-years anniversary of BAPA in 2019),<sup>3</sup> and the shift towards a new multipolar world order in development cooperation. Since the adoption of BAPA, South-South cooperation has evolved into a significant instrument for connecting nations, with a particular focus on sharing knowledge, expertise, technology, and resources to address development challenges while upholding the principles of solidarity and respect for sovereignty. This was aptly demonstrated by international development stakeholders at BAPA+40 as they reaffirmed “South-South cooperation as a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, their national and collective self-reliance, and the attainment of internationally agreed development goals, including the Sustainable Development Goals (SDGs), according to national priorities and plans.”<sup>4</sup>

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<sup>2</sup> <https://unsouthsouth.org/about/about-sstc/>

<sup>3</sup> BAPA was adopted at the First High-level United Nations Conference on South-South Cooperation on September 12, 1978, by 138 countries and was tagged, ‘Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among developing countries (TCDC)’. In commemoration of the 40-years anniversary of BAPA, the Second High-level United Nations Conference on South-South cooperation adopted a more elaborate and updated framework for South-South and triangular cooperation in March 2019, and thus, BAPA+40 was thus born.

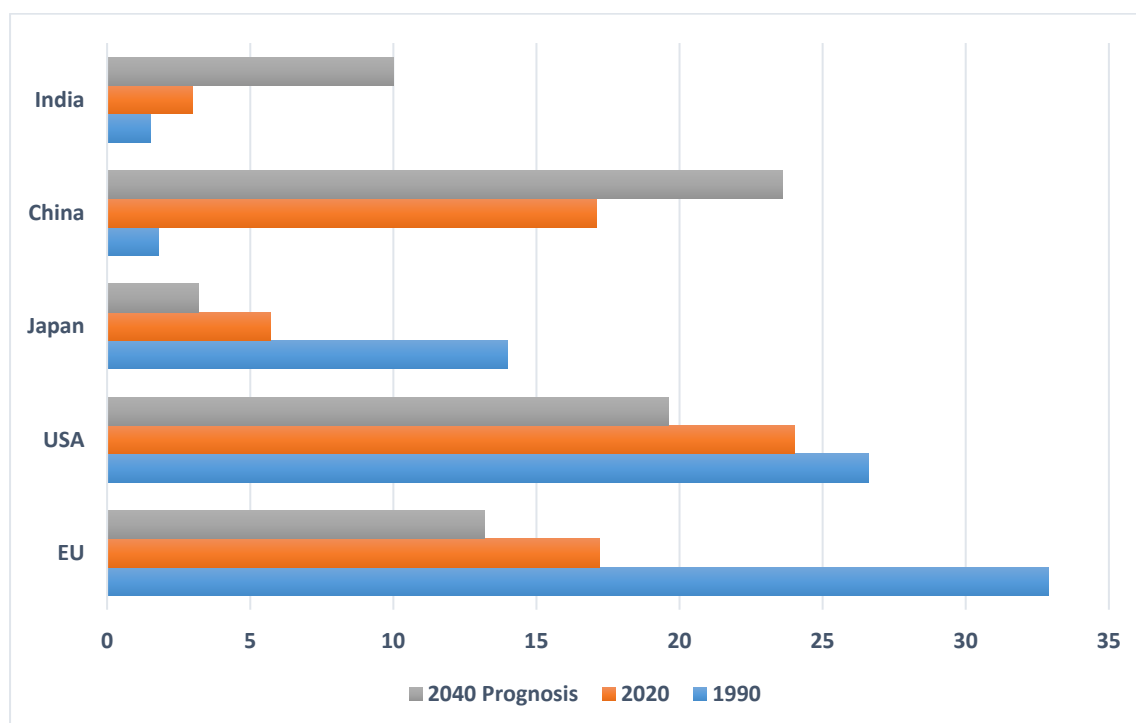
<sup>4</sup> Buenos Aires outcome document of the second High-level United Nations Conference on South-South Cooperation A/RES/73/291 19-06371 9/11 (<https://www.unsouthsouth.org/wp-content/uploads/2019/10/N1911172.pdf>)

The debut of new multipolarity in development cooperation has had a considerable impact on South-South cooperation issues. It has added a new dimension to the discussion of South-South and triangular collaboration, particularly in the context of the BAPA and the outcomes of its follow-up conference, BAPA+40. BAPA+40 specifically acknowledged the changing environment of development cooperation, such as the significance of rising economies in the Global South and the necessity for more collaboration to accomplish the SDGs. China, India and Brazil which teamed up with Russia and South Africa to form BRICS (Brazil, Russia, India, China, and South Africa) in 2010 are remarkable examples of rising economies in the Global South. BRICS, at its 15<sup>th</sup> summit in August 2023, admitted six emerging or developing countries (Argentina, Egypt, Ethiopia, Iran, Saudi Arabia, United Arab Emirates) into its fold with effect from 1<sup>st</sup> January, 2024. Because these rising economies have become significant actors in supporting each other and/or giving development aid, multipolarity is increasingly transforming the landscape of development cooperation.

The rise of the global South as signified by multipolarity has resulted in a process of reorientation of the world economy toward emerging nations and their growing influence on the international scene. Regional alliances and groups have increased their combined economic and political might, resulting in several developing countries advocating for enhanced participation in global decision-making bodies such as the United Nations Security Council and the Group of 20. The rapid growth in the shares of China and India in world economic outputs with the associated declines in the shares of leading economies in world output illustrates how the world economic and power dynamics have tremendously changed in recent decades (Figure 2.1). In addition, many countries in the global South have taken on key roles in global concerns such as climate change and sustainable development, and in defending their interests and opinions in international policy debates. There is also a growing departure from the traditional North-South donor-recipient paradigm in development cooperation. The new approaches highlight the significance of collaboration among countries from the global South and involve bilateral, regional, intraregional, or interregional partnerships.

The partnerships have encouraged South-South and triangular cooperation among LLDCs, transit countries and other developing countries. An important feature of these partnerships is the increasing involvement of the private sector through foreign direct investment (FDI), development programme finance or grants, and philanthropy. This brings opportunities for LLDCs to access new expertise and resources. However, concerns about profit motives and accountability in private sector engagement may pose challenges that LLDCs need to navigate carefully. The shift beyond aid dependency toward trade, investment, and technological transfer aligns with the aspirations of LLDCs for economic diversification and self-reliance. It is important to stress that the success of the shift towards private sector involvement in South-South cooperation depends on the ability of LLDCs to position themselves strategically in the global market and attract investments.

**Figure 2.1: Share of GDP in world economic output in 1990, 2020, 2040 prognosis (%)**



**Source:** Data compiled from OECD/IsDB (2023)

Despite the potential opportunities presented by the changing dynamics of global development cooperation, LLDCs face challenges related to the fragmentation of development efforts, unequal partnerships, and accountability concerns. The risk of fragmented initiatives and duplicated efforts may hinder the effectiveness of development cooperation in LLDCs. Power imbalances between donors and recipients may influence the decision-making process, underscoring the importance of building equitable partnerships. Looking ahead, the future of the LLDCs in the evolving global development landscape lies in their ability to foster inclusive partnerships, leverage innovative solutions, prioritize human-centered development, strengthen accountability mechanisms, and continually adapt based on evidence and experience. LLDCs play an important role in shaping the trajectory of global development cooperation and must actively engage with these changes to ensure positive outcomes for their citizens and sustainable development.

Furthermore, it is also important to underscore the challenges in development cooperation posed for LLDCs by major global concerns such as climate change, energy transition, digitalization, artificial intelligence (AI) and robotics (UNCTAD, 2021a, 2022). Notables examples among these challenges include:

- heightened vulnerability to extreme weather events, with countries like Mongolia, Chad, Niger, Lesotho, and Uzbekistan facing disruptions in agriculture, water scarcity, and infrastructure damage (UNCTAD, 2023; ADB, 2022);
- limited resources which impede effective adaptation and mitigation efforts in Burkina Faso and Malawi (Guzmán et al., 2022; Green Climate Fund, 2023);
- heavy dependence on imported fossil fuels, leading to price fluctuations and energy security risks in Nepal, Mongolia, Bhutan, and Malawi (Kafle et al, 2023; Xinhua, 2023; AFREC, 2023);
- low internet access in most LLDCs, primarily due to inadequate digital infrastructure largely espoused in limited broadband capacity (World Bank, 2023a; ITU, 2023);
- limited awareness and understanding of the potential benefits and challenges of the adoption of artificial intelligence and robotics in LLDCs (UNCTAD, 2021a; UNDP, 2023a).

As the global development landscape evolves, a new programme of action for LLDCs must prioritize building resilience in LLDCs by ensuring they effectively address these global challenges while making substantial progress toward inclusive, sustainable, resilient and transformative development.

Alongside South-South cooperation, triangular cooperation has also gained more attention in the past two decades. The Triangular cooperation entails “Southern-driven partnerships between two or more developing countries supported by a developed country(ies) or multilateral organization(s) to implement development cooperation programmes and projects.”<sup>5</sup> According to OECD (2019), the Global Partnership Initiative (GPI) on Effective Triangular Co-operation identified three roles for partners in a triangular cooperation:

- **beneficiary partner** which demands support to tackle a specific development challenge;
- **pivotal partner** which often has proven experience in tackling the issue, and shares its resources, knowledge and expertise to help others to do the same; and
- **facilitating partner** that may help connect the other partners supporting the partnership financially and/or with technical expertise.

There may be more than one actor or partner for each role, and roles may change over the life cycle of a triangular cooperation initiative. The partners include countries (at national and sub-national levels), international organisations, civil society, private philanthropy, private sector and academia. The emphasis of triangular cooperation in BAPA+40 and its aftermath, also reflects a growing awareness of the need for creative, multifaceted solutions in the pursuit of sustainable development in today's complex and interconnected world. The rise of triangular cooperation indicates its essential role in shaping a more resilient and prosperous future for LLDCs.

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<sup>5</sup> <https://unsouthsouth.org/about/about-sstc/>

**3.**

**SOUTH-SOUTH  
COOPERATION  
IN THE  
IMPLEMENTATION  
OF THE VPOA**



## 3. SOUTH-SOUTH COOPERATION IN THE IMPLEMENTATION OF THE VPoA

There is a major emphasis in the VPoA on the role of strengthened partnerships for its implementation. South-South and triangular cooperation provide the platform for these strengthened partnerships to effectively contribute to the successful implementation of the VPoA. Specifically, South-South cooperation in the VPoA is a vivid illustration of solidarity and partnership between LLDCs and their neighbouring transit-developing countries, typically in the same region or sharing common development concerns. The partnerships involve the sharing of best practices in customs, border, and corridor management, and in the implementation of trade facilitation policies. This was expected to foster regional and sub-regional economic integration, and thus enabling LLDCs to access neighbouring markets, improve trade routes, participate in value chains, and stimulate the growth of their economies. South-South cooperation also supports the planning and execution of infrastructure projects in LLDCs, with an emphasis on improving transportation networks that include roads, railways, ports, and ICT infrastructure. It consequently facilitates collaborative efforts to plan and fund infrastructure projects that improve connectivity and reduce transit costs.

In this section, the impact of South-South cooperation on the implementation of the VPoA is analysed within the context of the six priority areas of the VPoA. The analysis assesses the progress achieved and development outcomes in each of the priority areas with special attention paid to the roles played by South-South cooperation in the implementation of the VPoA. Highlights of best/good practices in South-South cooperation are accordingly presented.

### 3.1. Fundamental Transit Policy Issues

Fundamental transit policy issues are critical for improving landlocked countries' trade efficiency, reliability and effectiveness. These issues typically include transportation infrastructure, trade facilitation, regional integration, legal frameworks, institutional capacity, and other factors crucial for promoting smooth transit operations for the economic development of landlocked countries. Freedom of transit and adequate transit facilities are vital for the overall development of LLDCs. It is in this regard that the VPoA stresses the necessity of a strong supportive legal framework that promotes the harmonization, simplification, and standardization of rules and documentation, including the full and effective implementation of relevant international conventions on transport and transit.

Landlocked developing countries have actively engaged in the realm of transit policy by actively participating in regional, multilateral, and bilateral trade agreements with transit and other countries in the global south. These efforts aim to tackle transit issues and facilitate the smooth movement of goods. Table 3.1 indicates the status (number) of ratifications of conventions related to trade and transport facilitation for k'both LLDCs and transit countries in

2017 and 2021. Remarkably, three conventions (items 2, 3 and 8 in Table 3.1) recorded appreciable increases in the number of country ratifications by LLDCs and transit countries. From 2017 to 2021, LLDCs and transit countries demonstrated stability in commitments to the World Trade Organization (WTO) Agreement, with 26 and 30 ratifications, respectively. The number of WTO Trade Facilitation Agreements ratified by LLDCs increased from 19 to 26, and from 20 to 29 in transit countries, reflecting a growing embrace of trade facilitation measures. Similarly, the Revised Kyoto Convention, focusing on harmonizing customs procedures, showed increasing recognition, with LLDCs increasing ratifications from 18 to 22 and transit countries from 23 to 25. The United Nations Convention on the Law of the Sea maintained consistent ratifications (20 for LLDCs and 29 for transit countries).

The uptick in ratifications signals encouraging developments in South-South cooperation, potentially capable of cultivating trust and collaboration through the establishment of common standards and transparent legal frameworks. This trend aims to reduce bureaucratic obstacles and enhance efficiency in LLDCs trade flows.

**Table 3.1: Number of ratifications of key international conventions related to transit transport (2017, 2021)**

S/N	Convention	LLDCs		Transit countries	
		2017	2021	2017	2021
1	World Trade Organization Agreement (1994)	26	26	30	30
2	World Trade Organization Trade Facilitation Agreement (2013)	19	26	20	29
3	Revised Kyoto Convention (2006)	18	22	23	25
4	United Nations Convention on the Law of the Sea (1982)	20	20	29	29
5	International Convention on the Harmonization of Frontier Controls of Goods (1982)	12	12	3	3
6	Customs Convention on the International Transport of Goods under Cover of the TIR Carnets (1975)	11	11	7	8
7	Customs Convention on Containers (1972)	7	8	2	2
8	Convention on Road Signs and Signals (1968)	10	12	9	12
9	Vienna convention on Road Traffic (1968)	13	13	11	17
10	Convention on the Contract for the International Carriage of Goods by Road (1956)	10	11	1	2
11	Customs convention on the Temporary Importation of Commercial Road Vehicles (1956)	6	6	2	2
12	Geneva Convention on Road Traffic (1949)	13	14	18	18

**Source:** United Nations Office of Legal Affairs, 2022; World Customs Organization, 2022; World Trade Organization, 2022



Overall, Table 3.1 generally suggests a collective commitment to international agreements aimed at enhancing trade and transit transport, laying the groundwork for continued collaboration and progress. As shown in Appendix 1, these arrangements have facilitated South-South cooperation between LLDCs and transit countries as well as between LLDCs and other developing global South partners between 2014 and 2021.

One of the key objectives of the VPoA priority 1 is to reduce travel time along corridors, aiming for transit cargo to cover 300-400 km within every 24 hours. To address this challenge, many LLDCs have undertaken South-South initiatives to establish and enhance transportation corridors, foster connectivity with neighbouring countries, and facilitate access to international trade routes. Box 3.1 presents noteworthy examples of these Southern-driven initiatives during the implementation of the VPoA. While some corridors mentioned in Box 3.1 have successfully achieved the VPoA's specific objectives, others are still working towards the target, and some lack readily available data on relevant indicators for priority 1 (UN-OHRLLS, 2018; UNCTAD, 2023a).

### **Box 3.1: South-South cooperation in transport corridor initiatives under the VPoA**

1. The North-South Corridor, which is a vital trade link for African LLDCs (Botswana, Eswatini, Lesotho, Malawi, Zambia, Zimbabwe) (UN-OHRLLS, 2018).
2. Beitbridge Border Post Corridor, which facilitates trade flows between South Africa and Zimbabwe (UN-OHRLLS, 2018).
3. Lamu Port-South Sudan-Ethiopia Transport (LAPSSET) Corridor, which connects Kenya's Lamu port to South Sudan and Ethiopia (UN-OHRLLS, 2018).
4. Nacala Corridor, which serves Malawi, Zambia and Mozambique (UN-OHRLLS, 2018).
5. Dar es Salaam Corridor, linking Malawi and Zambia with the port of Dar es Salaam in Tanzania (UN-OHRLLS, 2018).
6. Trans-Saharan Highway, which connects Algeria, Nigeria, Tunisia, Chad, Mali, and Niger (AfDB, 2020).
7. The Central Asia Regional Economic Cooperation (CAREC) network, which connects several Central Asian LLDCs (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan) with transit countries like China, Iran, and Georgia (ESCAP, 2021).
8. Trans-Asian Railway (TAR), which spans LLDCs such as Mongolia, Lao PDR, and Afghanistan. It connects Southeast Asia to Europe (UN-OHRLLS, 2018).
9. The North-South Corridor, which links Kazakhstan, Kyrgyzstan, Tajikistan with Russia and Iran. It facilitates landlocked Central Asian economies' access to European and South Asian markets (ESCAP, 2021).
10. The Hidrovía Paraguay-Paraná waterway system, which serves as a crucial transport route for Paraguay, an LLDC in South America. It connects it to the Atlantic Ocean and enabling trade with neighbouring countries like Argentina and Brazil (Aminjonov, et al. 2019; ITA, 2022).

China's Belt and Road Initiative (BRI), involving many LLDCs, provides multiple transport corridors, and thus, an extensive transport connectivity for LLDCs and other developing countries. Box 3.2 presents an overview of the context, achievements and challenges of BRI as a good example of South-South cooperation in support of transport connectivity that relates to the objective of Priority 1 of the VPoA, though its aim broadly covers global development agenda as represented by the SDGs.

In the Central Asia Regional Economic Cooperation (CAREC) Programme involving eight LLDCs, road corridor performance data shows an increase in the overall average transit speed from 550 km/24hrs in 2014 to 556 km/24hrs in 2015, indicating successful but marginal target attainment. The CAREC programme has undeniably made significant strides in reducing the average clearance time for road transport at border-crossing points. According to the latest report, the clearance time has seen a commendable decrease, plummeting from 16.9 hours in 2017 to a much-improved 12.2 hours in 2019 (ADB, 2021). This positive trend suggests a streamlined and more efficient process within the programme. However, the year 2020 posed new challenges, as the report highlights an unfortunate increase in average border-crossing time, apparently due to the effects of COVID-19 pandemic. In just one year, the time needed for vehicles to traverse border-crossing points rose from 12.2 hours in 2019 to 15.1 hours in 2020 (ADB, 2021).

### **Box 3.2: Context, achievements and challenges of BRI as example of South-South cooperation**

#### **Context and achievements of BRI in LLDCs:**

- Belt and Road Initiative, also known as 'Silk Road Economic Belt and 21st Century Maritime Silk Road', was launched by China in 2016 to connect Asia with Africa and Europe via land and maritime networks along six corridors.
- It aims to promote economic cooperation among countries on the proposed routes and to improve regional integration.
- It was developed based on existing bilateral and multilateral cooperation mechanisms.
- A Silk Road Fund of \$40 billion was established in December 2014 to finance transport connectivity initiatives, particularly, in infrastructure projects, and in industrial and financial cooperation.
- The founding shareholders include the State Administration of Foreign Exchange, the China Investment Corp., the Export-Import Bank of China and the China Development Bank.
- By 2022, BRI had 16 ongoing and completed different investment projects in the transport sector in LLDCs.

#### **Challenges of the BRI:**

- Heterogeneity and complexity of South-South cooperation modalities;
- the asymmetric ability of countries to manage and participate in South-South cooperation;
- Partial understanding of the externalities;
- Policy incoherence and lack of institutional capacities available in Southern countries.

**Sources:** UNDP (2016) and UN-OHRLLS (2022)

Despite the setback in average border-crossing time, the report also reveals interesting insights into the speed of transportation within the CAREC programme. The speed with delay, a crucial metric reflecting overall efficiency, remained relatively stable from 22.6 kilometres per hour (km/h) in 2019 to 22.7 km/h in 2020. While this suggests that the overall speed did not significantly deteriorate, it prompts an exploration into the factors influencing the stability, especially considering the rise in border-crossing time. Additionally, the report notes a slight decrease in speed without delay, dropping from 43.6 km/h in 2019 to 42.9 km/h in 2020 (ADB, 2021). This minor reduction raises questions about potential bottlenecks or challenges faced by road transport within the CAREC programme, warranting a closer examination to identify areas for improvement.

The Trans-Kalahari Corridor, spanning 1,366 km from Walvis Bay (Namibia) to Gaborone (Botswana), has achieved a significant milestone by enabling cargo transportation at a speed of approximately 600 km per 24 hours. Infrastructure improvements, including upgraded road surfaces and harmonized customs procedures, have contributed to reduced travel time, lower transportation costs, and increased trade volumes, positively impacting the region's economic development (Trans-Kalahari Corridor Secretariat, 2023). West African Transit Corridors, crucial for Burkina Faso and Mali's import-export activities, achieve speeds nearing 300 km per 24 hours. Despite facing challenges like infrastructure bottlenecks and complex customs procedures, ongoing regional cooperation projects aim to address these issues and further enhance corridor performance (UN-OHRLLS Report, 2018). Other notable corridors, such as the East African Community (EAC) Northern Corridor and the Southern African Development Community (SADC) North-South Corridor, have experienced travel time reductions through infrastructure upgrades and harmonized border procedures. Ongoing improvement projects for the SADC corridor aim to enhance infrastructure and facilitate trade (UN-OHRLLS Report, 2018).

Despite tangible results in reducing transit times for the Northern Corridor, linking Burundi, Rwanda, Uganda, and the eastern regions of the Democratic Republic of the Congo to the port of Mombasa in Kenya falls short of the VPoA target. For instance, transit time for a truck traveling from the port of Mombasa to Busia on the Ugandan border reduced from 284 hours in January 2015 to 90 hours in January 2019, but still exceeded the target (WTO, 2021). Conversely, the Central Corridor region attains the VPoA target, as evidenced by data from the 2023 Central Corridor Transport Observatory Annual Report. In 2022, road transit times to various destinations in Central Corridor Member States improved, achieving an overall reduction of 14 hours (Central Corridor Transport Observatory, 2023). Transit times from Dar-es-Salaam Port were recorded as 4.0 days (97 hours) to Kigali, 5.5 days (131 hours) to Bujumbura, 5.9 days (142 hours) to Kampala, 7.3 days (174 hours) to Bukavu, and 6.5 days (157 hours) to Goma (Central Corridor Transport Observatory, 2023).

According to ECLAC (2022a), LLDCs in Latin America confront significant challenges in meeting the VPoA targets for transit cargo travel time, with the average duration exceeding these goals due to a combination of infrastructure limitations and inefficient border procedures. These LLDCs often grapple with inadequate road and rail networks, deteriorating infrastructure

conditions, and a scarcity of multimodal transport options, resulting in prolonged travel times, elevated transportation costs, and diminished competitiveness. Additionally, complex and cumbersome customs procedures, a lack of regulatory harmonization, and insufficient automation contribute to delays and bottlenecks at border crossings. Illustrative examples from Bolivia, where transit times range from 50 to 22 days from container freight stations to sea-ports, and Paraguay, with cargo requiring 50 days for the same journey, underscore the substantial logistical challenges faced by businesses in these countries (Silvada, n.d.; ECLAC, 2022b).

### **3.2. Infrastructure Development and Maintenance**

The VPoA recognizes the crucial need for the development and maintenance of robust transport, energy and ICT infrastructure in addressing the challenges faced by LLDCs. These are essential not only for enhancing access to markets but also for facilitating the efficient movement of goods and services, and thus promoting trade by LLDCs. As shown by the UN Secretary General's report on the implementation of the VPoA (United Nations, 2023b), the VPoA made some progress in completing missing links in transport infrastructure and generally by improving the quality of infrastructure for increased connectivity of LLDCs. This notwithstanding, the infrastructural challenges faced by LLDCs are still enormous. Despite the commissioning of several highway networks and railway lines in LLDCs during the implementation of the VPoA, many more are needed. It was also revealed that a 2018 study by UN-OHRLLS estimated that to reach the global average road and rail network densities, LLDCs would need to construct almost 200,000 km of paved roads and another 46,000 km of railway at a cost of about USD510 billion.

Given the technical and financial limitations of LLDCs in infrastructure development, LLDCs have been actively engaged in fostering closer partnerships that promote infrastructure development and maintenance. This collaborative approach involves cooperation among LLDCs themselves, engagement with development partners, and collaboration with other developing countries. By working together in a South-South cooperation framework, LLDCs aim to advance their infrastructure development agendas so that they can address key impediments to economic growth, resilience and transformative development.

The extent and scale of infrastructure development are frequently shaped by funding availability. In the context of LLDCs, public finance emerges as the predominant funding avenue for infrastructure projects. Beyond acquiring funds through direct taxation and various financial tools, these countries have employed Official Development Assistance (ODA) and Foreign Direct Investment (FDI) as pivotal means to amplify resources dedicated to infrastructure development and enhance transport connectivity.

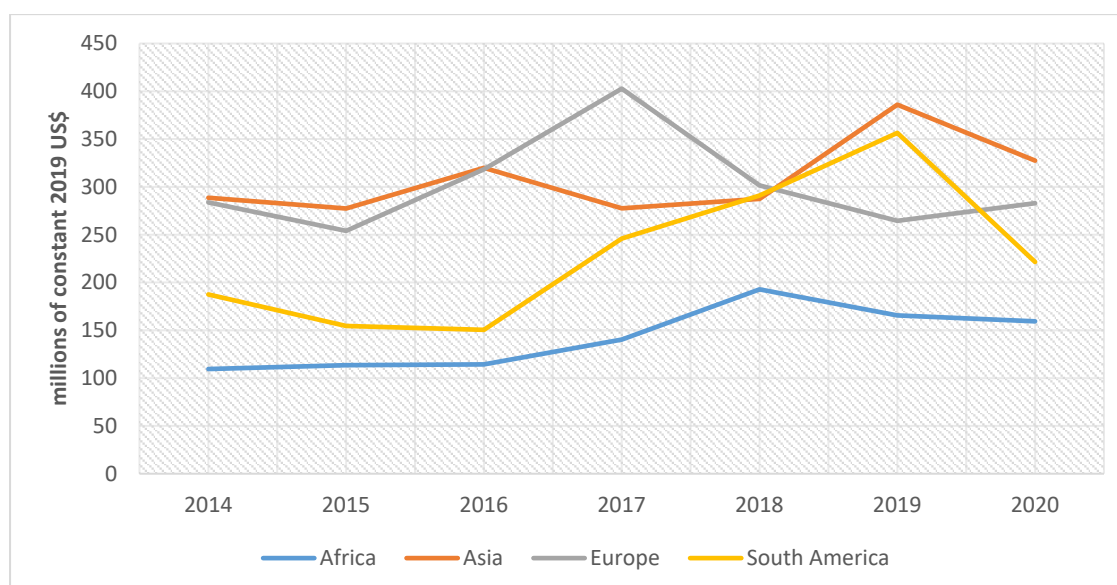
The implementation of the VPoA has apparently helped in improving funding for infrastructure projects in LLDCs through public finance supported by international development finance institutions and development financing from the global South, including financing for

sustainable and resilient infrastructure. Though public finance contributes more than 65 per cent of total funding for infrastructure in LLDCs, it remarkably falls short of meeting the infrastructural needs. Despite ongoing efforts and reforms, tax revenues remain relatively low in many LLDCs, with average tax-to-GDP ratios below 15 per cent from 2016 to 2020 in countries such as Afghanistan, Azerbaijan, Bhutan, Kazakhstan, and Uzbekistan (Meng *et al*, 2022). Resource-rich LLDCs face additional challenges, including volatile commodity prices and frequent trade imbalances that hinder public resource mobilization for infrastructure development. Consequently, concessional borrowing from bilateral and multilateral partners with extended maturity periods and low-interest rates emerges as a significant alternative for infrastructure financing. Key institutions such as the World Bank, Asian Development Bank (ADB), and African Development Bank (AfDB) play vital roles in providing both financial and technical support for LLDCs' infrastructure projects. These development finance institutions often collaborate with LLDCs to enhance transport, energy, and other critical infrastructure (World Bank, 2023b; ADB, 2023; AfDB, 2023).

The increasing role of the global South in development cooperation underscores a positive shift with a significant contribution to the advancement of infrastructure development in LLDCs. While traditional public finance and borrowing from major institutions remain crucial, South-South cooperation introduces alternative and innovative approaches to financing LLDCs' infrastructure projects. Notable sources of South-South financial resources include institutions such as the New Development Bank (NDB) (formerly referred to as the BRICS Development Bank), and Development Bank of Latin American (CAF), which provide concessional loans and investments that align with LLDC priorities, emphasizing sustainable and resilient infrastructure. Additionally, countries like China, Singapore, and Qatar allocate funding to support infrastructure projects in LLDCs, often through partnerships with public or private entities. South-South partnerships involve bilateral aid, investment, and technical assistance, exemplified by initiatives like China's Belt and Road Initiative and India's Development Partnership Programme. Furthermore, South-South collaboration fosters innovative public-private partnership (PPP) models, leveraging joint expertise, resources, and risk-sharing mechanisms to attract private sector investment in critical infrastructure projects for LLDCs (Kozul-Wright, *et al*, 2021; UN-OHRLLS, 2023b; United Nations-Lao PDR, 2024).

Figure 3.1 provides a comprehensive overview of the total official international support to infrastructure in LLDCs from 2014 to 2020 across four regions: Africa, Asia, Europe, and South America. Measured in millions of constant 2019 US Dollars, the data indicates that LLDCs in Asia consistently emerged as the primary recipient of support, reaching a peak in 2019. In contrast, LLDCs in Europe experienced fluctuations, with a significant increase in 2017 followed by a decline in subsequent years. LLDCs in Africa and South America exhibit similar patterns, with a peak in 2018 followed by decreases in 2019 and 2020. These fluctuations underline the importance of understanding the factors influencing the allocation of international support to LLDCs' infrastructure development. Factors such as regional priorities, project cycles, and global economic conditions may contribute to the observed patterns, and subsequently determine the nature and scope of South-South cooperation in support of infrastructure development in LLDCs.

**Figure 3.1: Total official international support to infrastructure in LLDCs (millions of constant 2019 US\$)**



**Source:** United Nations SDG indicators database, 2023

### a) Transport infrastructure

Table 3.2 provides an analysis of freight volume distribution in LLDCs during the implementation of VPoA. The analysis reveals distinct regional strengths in various modes of transportation among LLDCs in 2020. Asia emerged dominant in rail and road freight transport in LLDCs, while South America had 50.39% of inland waterways freight volume by LLDCs. Africa took the lead in air freight transport regionally, accounting for 95.14% of the total freight volume by LLDCs. Europe also made a significant contribution to LLDCs' rail transport, with 6.89% of the rail freight volume by LLDCs in 2020.

**Table 3.2: Freight volumes by mode of transport among LLDCs in 2020**

Mode of transport	Air	Inland waterway	Rail	Road
	Freight volume (millions of tonne kilometres)			
Total, World	179,794	3,539,645	10,836,936	26,778,363
Total, LLDCs	3,129	21,409	248,882	687,896
<i>Share in total, World</i>				
Africa	1.66	0.01	0.23	0.37
Asia	0.05	0.29	1.85	1.72
Europe	0.03	0.00	0.16	0.15

South America	0.01	0.30	0.06	0.15
<i>Share in total, LLDCs</i>				
Africa	95.14	1.86	10.19	15.32
Asia	2.72	47.74	80.39	72.12
Europe	1.53	0.00	6.89	6.13
South America	0.59	50.39	2.53	6.45

**Source:** United Nations SDG Indicators database, 2023

The analysis in Table 3.2 indicates that the effects of South-South cooperation in the implementation of the VPoA concerning transport infrastructure development are largely in favour of rail and road, particularly among LLDCs in Asia. The South-South cooperation in transport infrastructure development manifested through diverse initiatives and partnerships aimed at addressing the unique challenges faced by LLDCs. Box 3.3 presents some notable examples.

**Box 3.3: Examples of South-South cooperation in transport infrastructure development among LLDCs in Asia**

1. India-Bhutan road connectivity project, which contributes to improved transport infrastructure, fostering trade between the two countries (Government of India, 2023).
2. Central Asia Regional Economic Cooperation (CAREC) program, which involves 11 countries, including several LLDCs, striving to promote economic development through improved regional cooperation, particularly in transportation (UN-OHRLLS, 2019).
3. China-Kyrgyzstan-Uzbekistan Regional Project, which aims to enhance transport connectivity and trade in Central Asia through the construction of roads, railways, and logistics facilities, reducing transport costs and fostering economic opportunities (Xinhua, 2023).
4. India-Nepal-Bangladesh Initiatives, which focus on developing a seamless transportation network, improving connectivity, trade, and investment flows among participating countries (Government of India, 2023).
5. Kyrgyzstan bilateral agreement on road transport with the Russian Federation, China, Islamic Republic of Iran, Turkey, and Pakistan (UN-OHRLLS, 2019).

South-South cooperation during the VPoA implementation highlights the dynamic nature of partnerships aimed at improving transport infrastructure for LLDCs. A prominent example of this dynamism is the Belt and Road Initiative (BRI) earlier described in Box 3.2.

Another example of South-South cooperation is Brazil's engagement in the Triple Frontier Region. The engagement aims to transform the Triple Frontier into a trade and logistics centre, with potential for replication in other border regions. The LLDCs in South America (Bolivia and Paraguay) are direct beneficiaries of this initiative. (MercoPress, 2023).

Port infrastructure development provides ample opportunities for South-South cooperation. The Lamu Port-South Sudan-Ethiopia-Transport (LAPSSET) Corridor, implemented in 2012, is a notable case. The project aims to create a transport corridor connecting Lamu Port in Kenya to South Sudan and Ethiopia. The project involves developing the Port of Lamu into a regional cargo hub, establishing rail and road networks for efficient trade, and implementing pipeline infrastructure for oil transportation from South Sudan to Lamu for export. The outcomes include increased trade, reduced transport costs, job creation, and enhanced regional integration.

## **b) Energy infrastructure**

The VPoA places a significant emphasis on energy as a priority for inclusive and sustainable development of LLDCs. Structural economic transformation and the unlocking of trade potentials of LLDCs require enhanced access to affordable clean energy and improved investments in power infrastructure. UN-OHRLLS and IRENA (2022) revealed that despite commendable strides in recent years towards ensuring access to reliable, sustainable, modern and reasonably priced energy, 215 million people in LLDCs still lack access to reliable energy. The report recognised the critical role of energy access as a fundamental catalyst for essential economic activities such as agriculture, industry and commerce.

It is noteworthy that the amplification of renewable energy in LLDCs is one of the key issues outlined in the Roadmap for Accelerated Implementation of the VPoA (UN-OHRLLS, 2020). The imperative of scaling up renewable energy in LLDCs becomes apparent when considering its role in improving resilience and mitigating the impacts of climate change. Consequently, fostering South-South cooperation in the development of energy infrastructure in LLDCs entails collaborative efforts among these countries, other developing countries in the global South, and various development partners. This collaboration revolves around the transfer of renewable energy technologies, capacity building, knowledge sharing, financial assistance, and energy policy reform.

Evidence of South-South cooperation in energy infrastructure development during the implementation of the VPoA is manifested in initiatives emanating from the global South, demonstrating a commitment to collective progress in this vital domain. The initiatives described in Box 3.4 are identified as examples of good practices in South-South cooperation in the development of energy infrastructure for LLDCs during the implementation of the VPoA.



### Box 3.4: Examples of South-South in energy infrastructure development among LLDCs

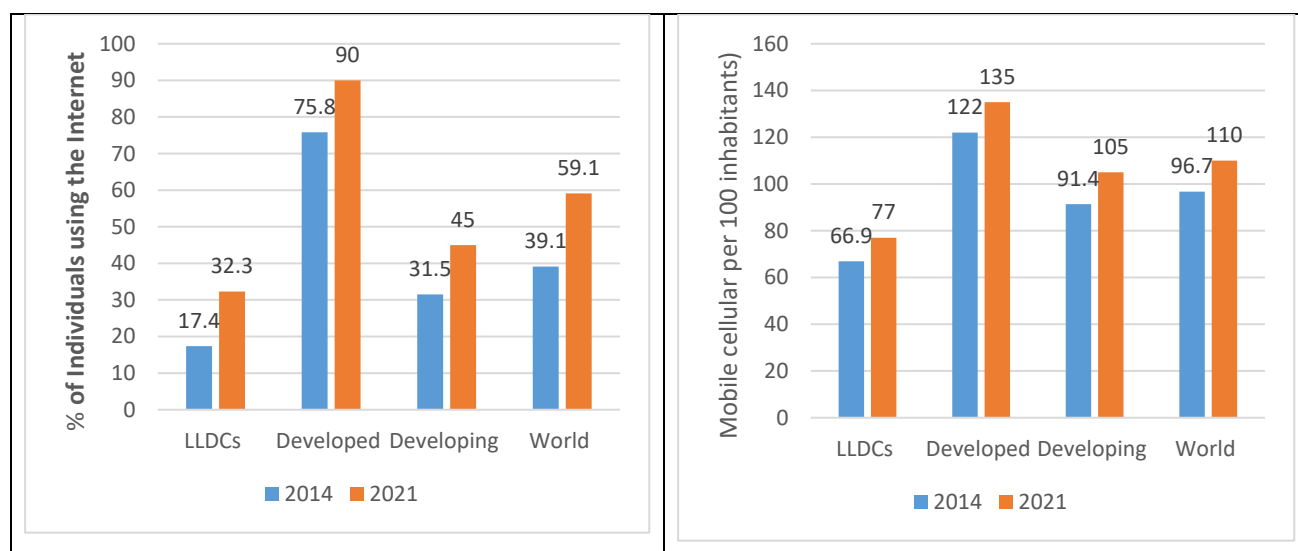
- 1. China-Central Asia Energy Partnership:** China has been actively involved in energy cooperation with Central Asian LLDCs, including Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan since 2017 (ESCAP, 2017; Xinhua, 2023). This cooperation exemplifies South-South collaboration between LLDCs and China as a transit country. The Belt and Road Initiative (BRI), described earlier in Box 3.2, has facilitated infrastructure development, including energy projects, in these countries (Xinhua, 2023).
- 2. India's Energy Collaboration with Bhutan:** On 22 April 2014, India and Bhutan formalized their collaboration in the energy sector through the signing of the "Framework Inter-Government Agreement," focusing specifically on the development of "Joint Venture Hydropower Projects" (Ministry of External Affairs, India, 2014). Bhutan, endowed with substantial hydropower potential, has effectively harnessed this resource through key projects like the Punatsangchhu Hydroelectric Project, set to be commissioned in 2025 (Bhutan News Service, 2023), and the Mangdechhu Hydroelectric Project, whose four units were successfully commissioned in August 2019 (Kuensel Online, 2019). While hydro-power cooperation has long served as a cornerstone of the economic partnership between India and Bhutan, recent developments underscore an expanded scope. In a Joint Commitment Statement issued in 2023, the King of Bhutan and the Prime Minister of India mutually agreed to broaden their existing energy partnership to include non-hydro renewables, such as solar energy (Business Standard, 2023). Both countries are committed to additional green initiatives, with a specific focus on hydrogen and e-mobility in furtherance of their joint dedication to sustainable and innovative energy solutions (Business Standard, 2023).
- 3. India-Africa Clean Energy Partnership (IA-CEP):** The IA-CEP was launched in 2015 and is reckoned to have played different roles in the implementation of the VPoA in three LLDCs (Mali, Niger, and Chad). Through key initiatives aligned with VPoA energy infrastructure goals, the achievements of the IA-CEP include:
  - Provision of lines of credit for clean energy projects as demonstrated in Burkina Faso's utilization of credit for a solar power plant.
  - Capacity-building programs for energy professionals to improve skills for managing renewable energy projects in Mali.
  - Joint research and development projects aimed at fostering innovation in LLDCs' clean energy sectors. This is amply illustrated by India and Niger's collaborative solar irrigation system project.
  - Support for renewable energy market development in Chad to create flourishing renewable energy markets and attract investments.

(Orfonline, 2015; Ministry of External Affairs, India, 2017; UN-OHRLLS, 2023a)

### c) ICT Development

South-South cooperation initiatives in support of ICT infrastructure development in LLDCs during VPoA implementation involve technology transfer, capacity building, knowledge sharing, e-government solutions, digital inclusion, regional integration, and support for innovation and entrepreneurship. The overall goal is to bridge the digital divide through improvements in ICT infrastructure, and thereby boost economic development and structural transformation in LLDCs. Figure 3.2 shows that African LLDCs witnessed a significant increase in both internet access and mobile cellular subscriptions between 2014 and 2021. The percentage of individuals using the internet in LLDCs rose impressively from 17.4% in 2014 to 32.3% in 2021, though it is still lagging substantially behind developed and developing countries. Mobile cellular subscriptions per 100 inhabitants in LLDCs increased from 66.9 in 2014 to 77 in 2021, while the levels of subscriptions in developed countries and developing countries were substantially higher than in LLDCs. It is noteworthy that the LLDCs experienced remarkable growth in internet access and mobile cellular subscriptions between 2014 and 2021, underscoring successful efforts to enhance connectivity in these regions during the implementation of the VPoA.

**Figure 3.2: Internet access and mobile cellular subscriptions**



**Source:** International Telecommunication Union

South-South cooperation in support of the development of ICT infrastructure in LLDCs goes beyond traditional aid models, emphasizing a collaborative approach where countries with similar development challenges share their experiences, innovations, and resources (UN Office for South-South Cooperation, 2023). A good example of this is Brazil’s Digital Culture programme which provides technical assistance and transfers technology to sub-Saharan African countries. Malawi has been a beneficiary of the programme during the implementation of the VPoA. Brazil has shared her experience in developing and implementing inclusive ICT policies with the countries involved and has supported them in building ICT infrastructure, promoting digital literacy, and enhancing access to information through digital platforms. The South-South

cooperation has also involved the exchange of experts, joint research projects, and the transfer of technologies tailored to the specific needs of LLDCs. By fostering these collaborative efforts, South-South cooperation in ICT contributes to narrowing the digital divide and empowering LLDCs to harness its benefits. (Brazilian Cooperation Agency, 2023; Ministry of External Relations of Brazil - Africa Division, 2023; UNCTAD, 2023; UNECA, 2023).

Another good example of South-South cooperation by LLDCs in support of the ICT infrastructure development during the implementation of the VPoA is the Indian Technical and Economic Cooperation (ITEC) programme. Through the ITEC programme, India has been actively engaged in providing technical assistance and capacity-building support to LLDCs in Asia and Africa. India shares its expertise in ICT infrastructure development, e-governance, and digital skills training with some LLDCs in the two regions. The collaboration often includes the establishment of telecommunication networks, knowledge exchange programs, and training sessions for government officials and IT professionals. The focus is on empowering LLDCs to leverage ICT for various sectors such as education, healthcare, and agriculture. An initiative like India's ITEC programme makes a significant contribution to the effective implementation of the VPoA across various priorities. ICT infrastructure development enhances transit corridors, improving connectivity and facilitating trade flows for LLDCs (Ministry of External Affairs, India, 2017; National Informatics Centre, India, 2023; UN-OHRLLS, 2023c).

China's BRI described in Box 3.2 also includes significant ICT infrastructure development components that have been helpful to the implementation of the VPoA in Asian LLDCs. The South-South cooperation in this regard involves the collaboration between China and several Central Asian countries. Through ICT infrastructure deployment, the BRI seeks to enhance connectivity, foster economic development, and address challenges faced by the LLDCs in central Asia. Key initiatives include investments in high-speed internet networks in Kazakhstan, Uzbekistan, and Kyrgyzstan, exemplified by the Kazakhstan Digital Bridge, fostering improved access to ICTs and enhancing trade opportunities. In addition, the China-Kyrgyzstan-Uzbekistan E-commerce Platform contributes to economic diversification and entrepreneurship in the countries involved. While the specific timelines of BRI projects may vary, the initiative is expected to continue for several decades, signifying a long-term commitment to LLDC development. Overall, South-South cooperation in support of ICT infrastructure development through BRI initiatives in Central Asian LLDCs has significantly shaped the region's digital landscape and contributed to achieving VPoA goals. (Kunavut, 2023; ESCAP, 2023).

### **3.3. International Trade and Trade Facilitation**

#### **a) International trade**

The goal of the VPoA with respect to international trade is to address the unique challenges faced by LLDCs by facilitating their access to global markets, reducing trade barriers, and promoting sustainable economic development. According to the UN Secretary General's report on the implementation of the VPoA (United Nations, 2023b), LLDCs experienced a steep decline in their share of merchandise exports in global trade immediately after the commencement of the Vienna Programme of Action in 2014 and until 2015, but rebounded to record a steady increase between 2016 and 2019. The impact of COVID-19 led to about 11 per cent drop in their merchandise exports in 2020. This significant drop apparently demonstrated the fragility and vulnerability of LLDCs in world trade. The merchandise exports by LLDCs rebounded in 2021 as they recorded a 30.6% to USD219 billion between 2020 and 2021; and their exports are estimated to have further increased to USD279 billion in 2022.

Table 3.3 shows the trend in the share of LLDCs and transit countries in global trade for merchandise imports and exports from 2014 to 2021, alongside the trend in the share of merchandise imports and exports in total world trade. LLDCs consistently account for a relatively low share in global trade, with merchandise imports ranging from 1.05% to 1.17% and merchandise exports ranging from 0.86% to 1.18%. In contrast, transit countries consistently exhibit higher shares, indicating the advantage of access to international markets.

Overall, the share distribution shown in Table 3.3 demonstrates that while there has been improvement in the shares of merchandise trade by transit countries in total world trade, no significant change in the shares of merchandise trade by LLDCs in total world trade is observed since the implementation of the VPoA in 2014.

Furthermore, Table 3.4 provides the structure of LLDCs' exports, showing the share of primary commodities and manufactured goods in merchandise exports from 2014 to 2021. The data reveals a persistent reliance on primary commodities, with LLDCs consistently exporting 82% to 83% of primary commodities, whereas the share of exports of manufactures in the global export of manufactures ranges from 15.8% to 17.7%. This structure underscores the need for strategic interventions to facilitate the diversification of LLDCs' export profiles, promoting a shift towards more value-added and manufactured goods. The analyses presented in Tables 3.3 and 3.4 confirms the importance of addressing the economic vulnerabilities of LLDCs by initiatives that promote their economic resilience and export diversification. The imperative of South-South cooperation becomes evident as LLDCs face the challenge of not only increasing their share in global trade but also diversifying their export profiles and promoting value-added industries. These endeavours are crucial for enhancing economic resilience, achieving inclusive development, and ensuring sustainability, especially in the context of a new programme of action that would succeed the VPoA.

**Table 3.3: Share of merchandise imports and exports in global trade (%)**

	Merchandise Imports							
	2014	2015	2016	2017	2018	2019	2020	2021
Total, LLDCs	1.14	1.12	1.07	1.05	1.08	1.17	1.16	1.109
Transit countries	21.12	20.82	20.12	21.04	21.56	21.42	21.79	24.4
	Merchandise Exports							
	2014	2015	2016	2017	2018	2019	2020	2021
LLDCs	1.18	0.93	0.86	0.92	0.99	1.01	0.96	0.98
Transit countries	21.99	23.09	22.6	22.68	22.74	23.14	24.51	27.54

Source: UNCTADstat database, 2023

**Table 3.4. Structure of LLDCs exports of primary commodities and manufactured goods**

	Share of primary commodities in merchandise exports (%)							
	2014	2015	2016	2017	2018	2019	2020	2021
LLDCs	83.0	83.2	81.8	82.7	83.4	83.2	82.3	83
World	27.3	27.8	26.4	28	28.3	28.9	26.9	28.3
	Share of manufactured goods in merchandise exports (%)							
	2014	2015	2016	2017	2018	2019	2020	2021
LLDCs	15.8	16.1	17.5	16.9	16.4	16.8	17.7	17
World	69.1	69.4	70.5	69.3	68.6	71.1	73.1	71.7

Source: UNCTADstat database, 2023

South-South cooperation in trade, particularly for exports by LLDCs during the implementation of VPoA involves collaboration and partnerships between developing countries. While specific examples vary, the following are a few illustrations of good practices in South-South cooperation initiatives aimed at enhancing trade capabilities and export opportunities for LLDCs.

### **i) China-Ethiopia industrialization and textile exports**

The partnership strategically focuses on export diversification, shifting away from the traditional agricultural exports to manufactured exports. Chinese companies have made substantial investments in Ethiopia's textile manufacturing facilities, leveraging the country's abundant and cost-effective labour force. This resulted in a significant increase in production capacity and the creation of numerous jobs. China has consequently played a pivotal role in the transfer of advanced textile technologies and expertise to Ethiopia, leading to improvements in productivity, efficiency, and product quality, thereby enhancing the competitiveness of Ethiopian textile products globally. The partnership has leveraged Ethiopia's preferential access to the US market under the African Growth and Opportunity Act (AGOA), providing Ethiopian textile manufacturers with duty-free access and fostering considerable growth in the industry. (Xinhua, 2018; UNCTAD, 2022; Ngoma, 2023; MoF Ethiopia, 2023)

### **ii) Nepal-Bhutan Trade and Transit Agreement**

The Nepal-Bhutan Trade and Transit Agreement was initiated in June 2022, and is considered a significant milestone in bolstering trade and economic collaboration between the two Himalayan nations. The main objective of the agreement is to simplify trade procedures and thereby reduce costs. The agreement encompasses streamlined customs procedures, harmonized regulations, reduced tariffs, improved transit facilities, and various trade facilitation measures, as outlined by the Department of Trade of the Government of Bhutan. Anticipated benefits include a substantial boost in bilateral trade between Nepal and Bhutan, fostering economic diversification, reducing sector-specific dependence, and creating new jobs. Furthermore, the agreement is expected to stimulate economic growth, enhance regional integration, and provide Bhutan with improved market access to Nepal and beyond. Though this agreement is relatively new, it is adjudged to have positive effects on the implementation of the VPoA. (Ministry of Foreign Affairs of Nepal, 2022; UN-ORLLSs, 2023).

### **iii) India-Africa Trade and Investment Facilitation Programme**

The India-Africa Trade and Investment Facilitation Programme (ITIFP) was launched in 2017 to facilitate trade, build capacity, expand market access, and develop infrastructure within participating LLDCs – Ethiopia, Malawi, Rwanda, Uganda, and Zambia. Key initiatives under the ITIFP include training programmes for both trade officials and private sector representatives. The programme provides support for trade promotion and investment facilitation activities, development of trade infrastructure projects, and offers technical assistance for implementing trade agreements. By building the capacity of LLDCs to effectively participate in the global trading system, the ITIFP plays a crucial role in supporting the implementation of the VPoA (Ministry of External Affairs, India, 2017; UN-HRLLS, 2023).

## b) Trade facilitation

Trade facilitation as a key component of the VPoA emphasizes the imperative of measures designed to streamline and simplify customs procedures, reduce transit times, and enhance the overall efficiency of transit transport systems that link LLDCs with international markets. The UN Secretary General's report on the implementation of the VPoA (United Nations, 2023b) stated that the implementation of the Agreement on Trade Facilitation remains low among LLDCs compared to the averages of transit countries and developing countries. On average, landlocked developing countries have fully implemented about 35% of the Agreement on Trade Facilitation measures, compared to 51% for transit countries and 60% for developing countries. Landlocked developing countries and transit countries require enhanced support to fully implement the Agreement on Trade Facilitation. South-South cooperation provides a platform for improving support for trade facilitation; and notable examples during the implementation of the VPoA are presented in Box 3.5.

### **Box 3.5: Examples of trade facilitation measures involving South-South cooperation during the implementation of the VPoA**

1. One-stop border posts (OSBPs) between Zambia and Zimbabwe and between Rwanda and Uganda, which consolidate clearance facilities and consequently reduce processing times (World Bank, 2023a; COMESA, 2018).
2. Advance cargo information (ACI) systems in Nepal and Bhutan, which enable customs authorities to receive information in advance, and thus facilitating risk assessment and expediting border clearance (UNECE, 2022; ITC, 2021).
3. Harmonization of standards and regulations, demonstrated by the EAC Common Market Protocol and COMESA Regional Integration Programme. This simplifies trade procedures and reduces compliance costs (WTO, 2023; COMESA, 2023).
4. South-South Network for Trade Facilitation established in 2017 to serve as a collaborative platform for all 33 LLDCs. The platform was aimed at sharing best practices and experiences in trade facilitation. This initiative encompasses key activities such as providing an online platform for the exchange of knowledge and resources, conducting workshops and training programmes on trade facilitation topics, and fostering peer-to-peer learning exchanges among trade officials from different countries (UNCTAD, 2017).

### 3.4. Regional Integration and Cooperation

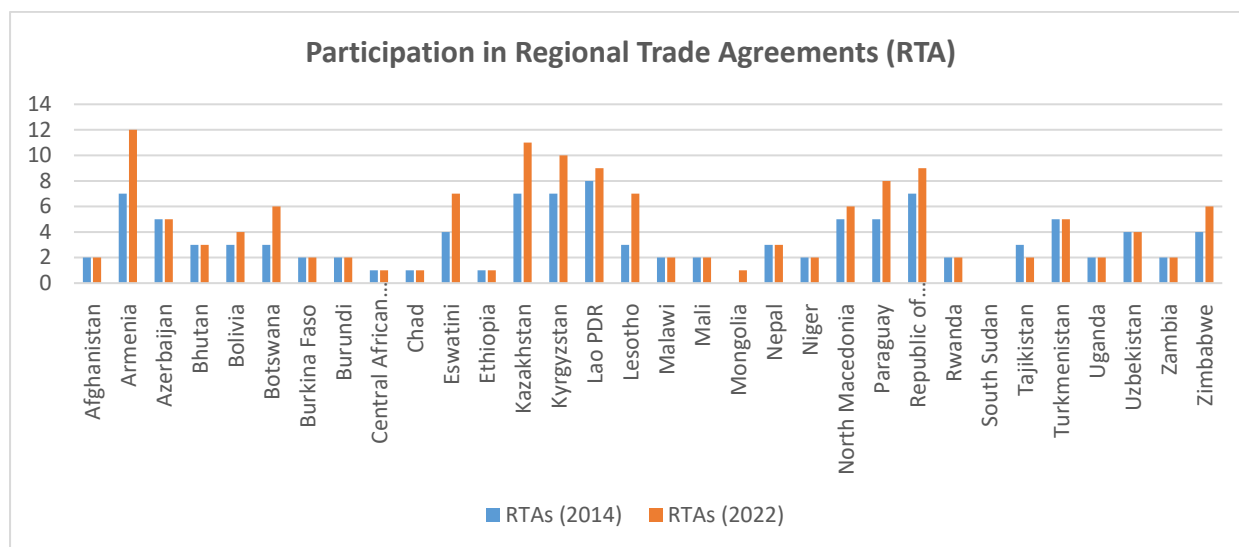
The VPoA prioritises regional integration and cooperation of LLDCs given its potential to address connectivity challenges. The UN Secretary General’s report on the implementation of the VPoA (United Nations, 2023b) disclosed that there was a growing interest in regional integration and cooperation among LLDCs during the VPoA implementation; and LLDCs undertook several actions to strengthen their participation in regional trade, transport, communication and energy networks and the harmonization of regional policies to enhance regional synergies, competitiveness and value chains at the regional level. The number of regional trade agreements that each landlocked developing country is a party to increased, on average, from 3.3 in 2014 to 4.3 in 2023. Besides, most landlocked developing countries participate in more than one regional trade agreement and several countries participate in more than five agreements. However, it was reported that, despite the increased participation of LLDCs in regional trade agreements, there has been no significant improvement in their economic and trade performances.

South-South cooperation has played a significant role in fostering regional integration and cooperation in LLDCs within the context of the VPoA since its adoption in 2014. This is demonstrated in the marked increase in the cumulative number of physical regional trade agreements (RTAs) in force in many LLDCs between 2014 and 2022. As shown in Figure 3.3, the cumulative number of physical regional trade agreements (RTAs) in force in 14 LLDCs increased appreciably between 2014 and 2022. LLDCs in Asia (Kazakhstan, Kyrgyzstan and Lao PDR) and Europe (Armenia and Republic of Moldova) are among the top five LLDCs with at least nine cumulative RTAs. All other LLDCs, except South Sudan, have at least one RTA in force between 2014 and 2020. The existence of RTAs is an apparent indication of South-South cooperation. Box 3.6 provides examples of South-South cooperation initiatives enabled by RTAs and often involving regional economic blocks during the implementation of the VPoA.

It is also important to note that the promotion of regional integration and cooperation enabled the harmonization of policies and the establishment of common standards to promote cross-border trade and cooperation among LLDCs and transit countries. The East African Community (EAC) and the Economic Community of West African States (ECOWAS) are examples of regional economic communities that have worked on harmonizing policies and regulations.



**Figure 3.3: Participation in regional trade agreements, 2014 and 2021**



**Source:** World Development Indicators, 2022

**Box 3.6: Examples of South-South cooperation in support of regional integration and cooperation during the implementation of the VPoA**

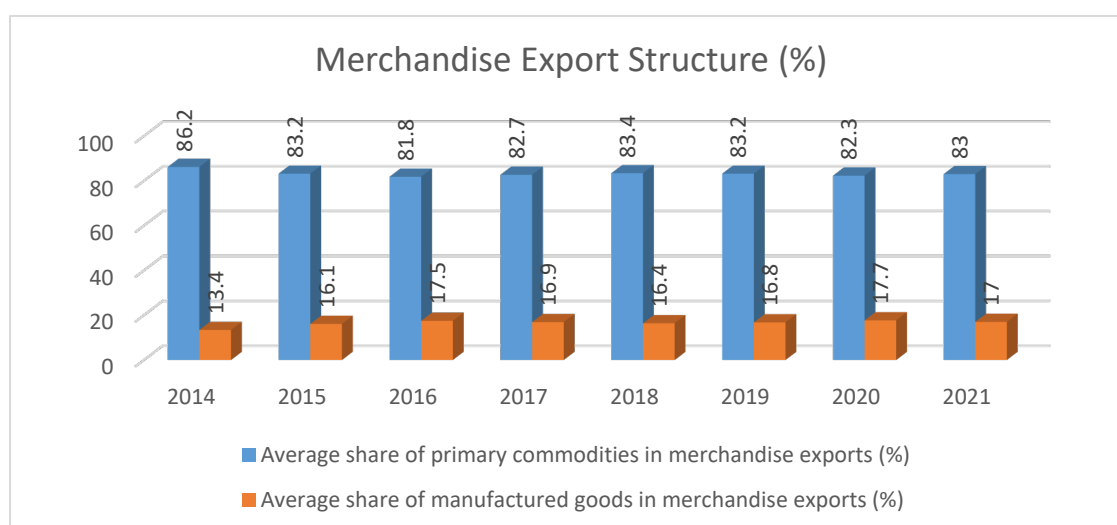
1. The Tripartite Free Trade Area (TFTA), forged by COMESA, EAC, and SADC, aims to create a single market with over 600 million consumers, achieving notable results such as an 80% reduction in tariffs, streamlined customs procedures, and increased foreign investments, particularly in infrastructure and manufacturing sectors (Luke and Mabuza, 2018).
2. The Programme for Infrastructure Development in Africa (PIDA), which prioritizes critical infrastructure projects, resulting in the development of the North-South Corridor, expanded energy grids, and transcontinental highways, improving connectivity and reducing transport costs (AfDB, 2024).
3. The African Continental Free Trade Area (AfCFTA) established in 2019, aimed at providing African countries (including LLDCs) with opportunities to explore new products, engage in value chains, and enhance their presence in international trade. (United Nations, 2023b).
4. The Greater Mekong Subregion (GMS) promotes economic cooperation and integration, resulting in achievements such as the development of economic corridors, cross-border transport facilitation, and energy infrastructure improvements (ADB, 2023).
5. The Southern African Customs Union (SACU) and the East African Community (EAC) exemplify regional blocs that promote customs union agreements and free trade areas (WTO, 2023).

### 3.5. Structural Economic Transformation

Wealth creation and economic competitiveness depend largely on the extent of structural economic transformation. The VPoA Priority 5 aims to foster structural economic transformation so that LLDCs can effectively address the challenge of poverty, raise productivity, apply innovative solutions across sectors, diversify the economy and become significant players in global value chains. However, LLDCs have made very limited progress towards achieving structural transformation since the adoption of the Vienna Programme of Action. The contribution of the agriculture sector to GDP in LLDCs has been declining due to diminishing productivity. FDI inflows to LLDCs are primarily targeted at the mining industry, leading to natural resource dependency and its associated resource curse syndrome that undermines structural economic transformation. Exports by LLDCs are still characterized by a strong dependence on primary commodities from the agricultural and mining sectors (see Figure 3.4). The share of primary commodities in total exports by LLDCs which was 86% in 2014 reduced marginally to 83% in 2021, while the world average was about 28% in 2021. Moreover, commodities account for more than 60% of exports in 26 out of the 32 LLDCs. Most LLDCs are therefore vulnerable to commodity price shocks which often reverberate in macroeconomic instability.

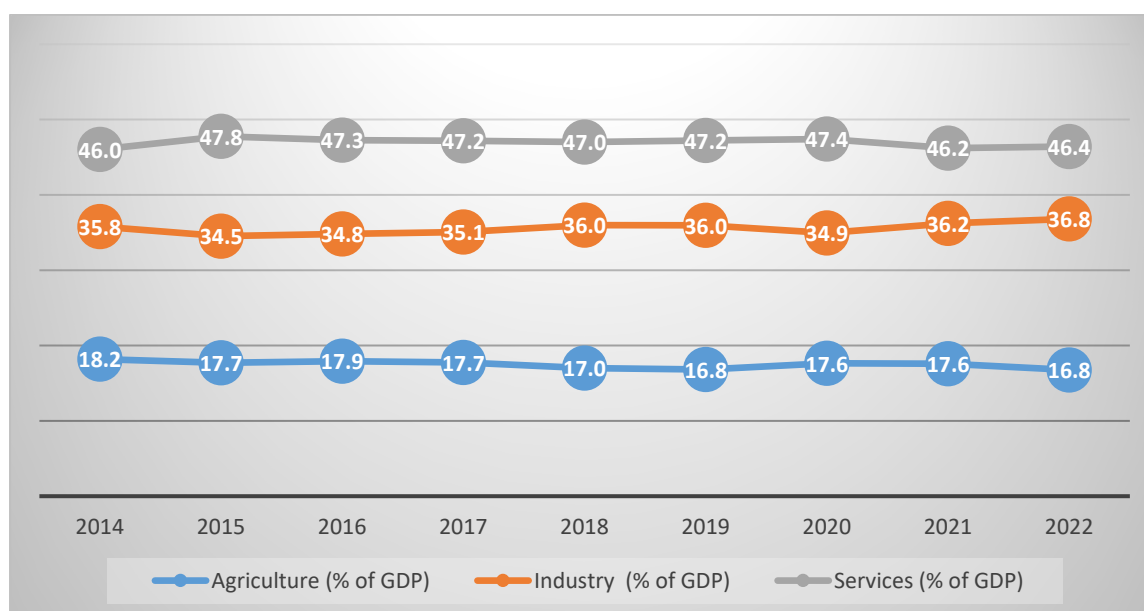
Figure 3.5 shows the trend in the structure of sectoral contributions to total GDP in LLDCs from 2014 to 2021. Despite the implementation of the VPoA, LLDCs seem to have undergone no significant structural change between 2014 and 2021. This could be partly linked to the declining foreign direct investment (FDI) inflows into LLDCs (see Figure 3.6) and the relatively very low share of LLDCs' merchandise imports and exports in global trade (see Table 3.3). These apparently lowered the prospects for better trade interactions, and limit the knowledge exchange, skill and technology transfer required for structural economic transformation.

**Figure 3.4: Structure of total merchandise exports by LLDCs, 2014 to 2021**



**Source:** World Development Indicators, 2022

**Figure 3.5: Sectoral contributions to total GDP in LLDCs, 2014-2021 (%)**

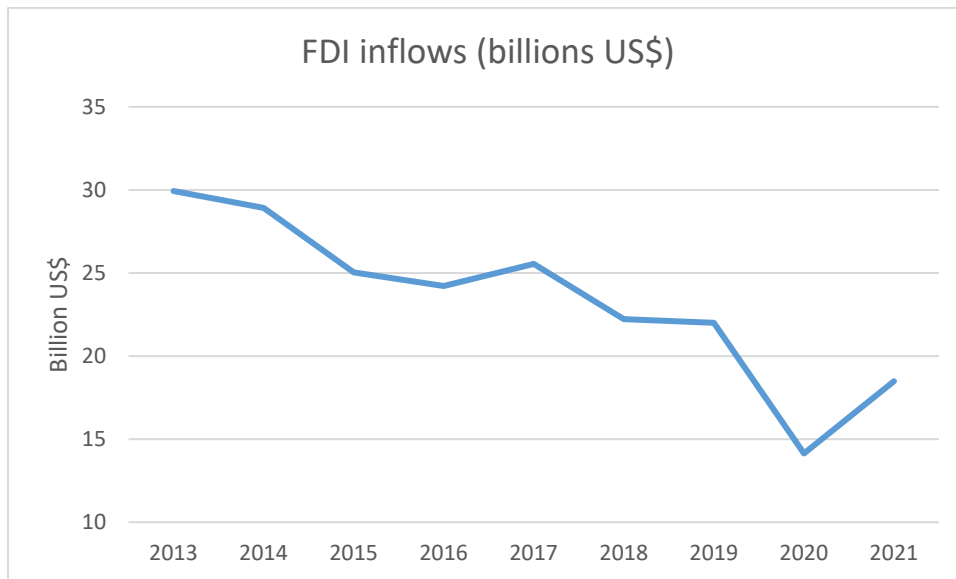


**Source:** World Development Indicators, 2023

It is however noteworthy that the economic growth rate of LLDCs is significantly above the world average from 2014 to 2019 as shown in Figure 3.7. Unfortunately, the COVID-19 pandemic that struck in 2020 halted the growth rates recorded in many LLDCs and plunged the global economy, including the economies of LLDCs, into an inevitable recession. These findings demonstrate that though LLDCs have generally experienced superior growth rates in comparison to the growth rate of the world economy during the implementation of the VPoA, structural economic transformation remains a major challenge in LLDCs despite the increasing role of South-South cooperation. For the Euro-Asian LLDCs, UN-OHRLLS (2019) reported that structural economic transformation during the implementation of the VPoA was hampered by problems surrounding transition to market economy, especially in the central Asian LLDCs which were former Soviet republics. It was also noted that their embrace of privatization and liberalization reforms limited their industrial capabilities, and some of them experienced premature de-industrialization. However, for a few African LLDCs (Botswana, Ethiopia, Rwanda), the Committee for Development Policy of the United Nations Department of Economic and Social Affairs reported significant changes in their productive capacities, which indicates structural transformation effects of the VPoA and national development policies (CDS, 2018).

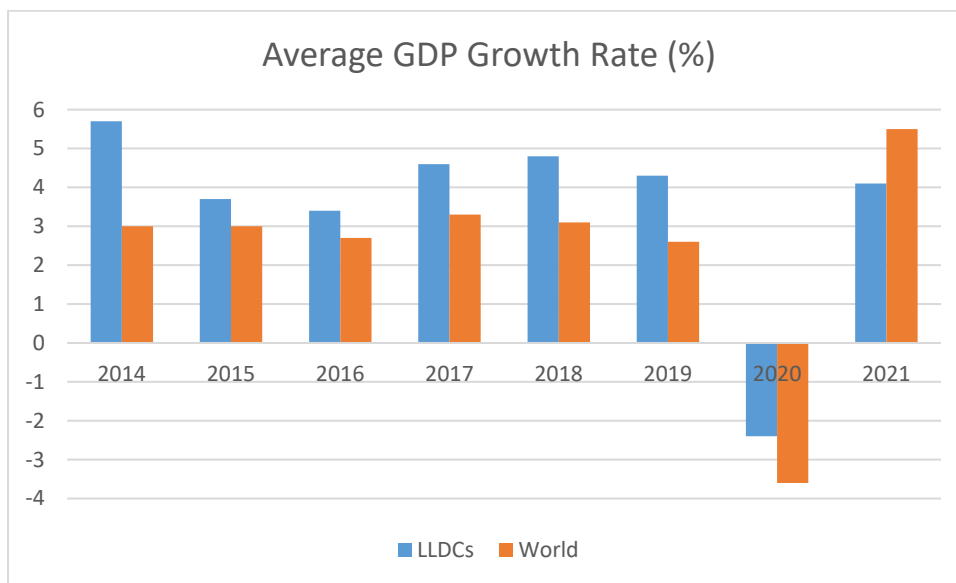
In a few LLDCs with evidence of structural economic transformation, it is difficult to isolate the roles of South-South cooperation in the implementation of the VPoA from other factors driving structural economic transformation. The case of Rwanda in Box 3.7 provides a good example of South-South cooperation’s contributions to structural economic transformation in a country eager to transform and eradicate poverty.

**Figure 3.6: Foreign Direct Investment (FDI) inflows to LLDCs, 2013-2021**



**Source:** UNCTADstat Database

**Figure 3.7: Average GDP growth rates: LLDCs vs World**



**Source:** World Development Indicators, 2022

### Box 3.7: South-South cooperation in support of structural economic transformation in Rwanda

Rwanda is remarkable among the African LLDCs as an economy that has experienced appreciable structural transformation in the past two decades. Despite the country's experience of civil war and genocide, Rwanda's economic growth of 7.5% is amongst the highest in the world and the country's sustained economic growth has been inclusive and with relatively low volatility. The key drivers of Rwanda's structural economic transformation include the expansion of agricultural productive capacity, the implementation of complementary industrial and human capital development policies, and South-South cooperation (CDS, 2018).

The expansion of agricultural productivity was achieved through the implementation of the Land Tenure Regularization (LTR) programme, which aimed at ensuring land tenure security and guarantee of ownership rights. The programme resulted in increased land investment, increased access to credit for landowners, and land conservation (Republic of Rwanda 2014; Biraro *et al.*, 2015).

From the 1990s, Rwanda's industrial policies has primarily focused on accelerating growth in the agricultural sector and making rural development pivotal to improvement of productive capacity and promotion of industrialization and structural transformation (CDS, 2018). Regarding human capital development policies, Rwanda has made spectacular improvement in reducing child mortality and undernutrition, and in raising the share of government expenditure on health and education. The country not only has the highest primary school enrolment rate in Africa but also achieved gender parity at the primary level, with girl's and boy's net enrolment rate being 98% and 95%, respectively (CDS, 2018). These complementary measures together with supports from South-South partners contributed to structural transformation in Rwanda.

A profound South-South cooperation initiative that has promoted structural change in Rwanda is **the China-Africa Cooperation Forum** which is involved in the development of Kigali Special Economic Zone (SEZ). The SEZ has attracted Chinese investments, which foster technology transfer in ICT, electronics, and pharmaceuticals. Another South-South initiative which has contributed to structural economic transformation in Rwanda is **India's Technical and Economic Cooperation (ITEC) programme**. ITEC has been an important agent of human capital development in Rwanda through diverse sectoral training programmes in agriculture, health, and technology. **Brazil's technical assistance in agriculture** has also supported Rwanda's crop production and agro-processing. These South-South cooperation initiatives have contributed to Rwanda's increased share of services in GDP from 43.5% in 2006 to 52.9% in 2021, and a decline in the poverty rate from 56.7% in 2006 to 38.2% in 2017. (Eom, 2018; FAO, 2020; UNCTAD, 2021b; Tutor2u, 2023).

### 3.6. Means of Implementation

LLDCs have made efforts to mobilize domestic resources for the development of infrastructure and transit facilities as well as for overall socioeconomic development. However, lack of adequate financial resources and capacity constraints are some of the biggest challenges facing LLDCs. During the VPoA implementation period, external debt has increased and exacerbated in some cases by large costs caused by multiple global crises including the COVID-19 pandemic and geopolitical tensions. It is therefore essential for LLDCs, transit countries and their partners to effectively mobilize adequate domestic and external resources from all sources for the effective implementation of a new Programme of Action. Financial assistance under the VPoA was often delivered through grants, concessional loans, and development support funds via bilateral or multilateral arrangements involving development agencies and/or development finance institutions (United Nations, 2023b).

South-South cooperation has become an important means of the implementation of development programme initiatives by providing resources, expertise, technological know-how and sharing of development experiences to help LLDCs achieve their development objectives that are aligned with the SDGs and the VPoA. In recent decades, southern partners including the southern-led Development Finance Institutions (DFIs), have become important players in global development cooperation. As indicated by UNOSSC (2021), innovative approach and flexible arrangements are the salient features of development finance extended by emerging powers in the global South to LLDCs and other developing countries. Southern-led national and regional DFIs can thus address the financial needs of Southern countries by rapidly scaling-up opportunities under the current development finance instruments through innovative funding modalities and lending with less rigid conditions than traditional finance institutions.

Furthermore, southern national banks such as the China Development Bank, Asian Infrastructure Investment Bank, Development Bank of Southern Africa and Brazilian National Bank for Economic and Social Development have shown outward orientation (UNCTAD, 2019). The New Development Bank established in 2015 by BRICS and the Asian Infrastructure Investment Bank have not only increased long-term finance (especially concessional lending for infrastructure development), but have also streamlined the finance approaches by involving partnerships with development and trade initiatives like the Belt and Road Initiative, Association of Southeast Nations (ASEAN) and African Continental Free Trade Area (AfCFTA). The new approaches to development finance by DFIs from the global South have benefited many LLDCs in enhancing connectivity and transit corridor development. Given the imperative of green infrastructure finance to mitigate the effects of climate change in LLDCs, it is also noteworthy that climate financing in LLDCs cannot depend solely on financial support from the North (United Nations, 2023c). South-South cooperation is particularly crucial to pulling of resources and building the necessary synergy for mitigating the effects of climate change.

Overall, the global South and regional development finance institutions should strengthen opportunities for mobilizing necessary financial resources that would foster South-South cooperation in the implementation of a new programme of action for the LLDCs. Bilateral and multilateral partnerships among southern countries with common development challenges would also provide synergy not only in mobilizing resources for development finance, but also result in knowledge sharing and provision of adaptable and cost-effective technologies and tailored technical support for the implementation of development initiatives.

A close-up photograph of a person's hands holding a golden prayer wheel and prayer beads. The person is wearing a red robe. The background is a blurred, high-angle view of a snowy mountain range and a traditional Tibetan monastery with multiple tiers and a central stupa. The lighting is bright, suggesting a sunny day.

**4.**

**TRIANGULAR  
COOPERATION  
IN SELECTED  
PRIORITY AREAS  
OF THE VPOA**



## 4. TRIANGULAR COOPERATION IN SELECTED PRIORITY AREAS OF THE VPoA

In the evolving global development landscape, triangular cooperation is on the rise and playing a crucial role in catalyzing progress towards sustainable development. It has drawn complementary strengths and resources of partners both from the North and the South. In the implementation of the VPoA, triangular cooperation played a significant role along with South-South cooperation. It particularly served as the key mechanism by which valuable resources and expertise are brought into situations where domestic resources are insufficient or unavailable to appreciably execute initiatives aimed at realizing the objectives of the VPoA. In this section, three examples of good practices of triangular cooperation during the implementation of the VPoA are presented along with the identification of the relevant priority areas where their impacts are felt.

### i) **South Korea-Kazakhstan-UNDP E-Government Partnership**

The trilateral partnership involving South Korea, Kazakhstan, and the United Nations Development Programme (UNDP) exemplifies the case of triangular cooperation contributing to e-government and digital transformation in Central Asia and the Caucasus.

The project is jointly implemented by UNDP in Kazakhstan and the Astana Civil Service Hub (ACSH), in collaboration with the Ministry of the Interior and Safety (MOIS) and the National Information Society Agency (NIA) of the Republic of Korea. Kazakhstan is the beneficiary partner, UNDP in Kazakhstan and ACSH are pivotal partners, while South Korea is the facilitating partner. This tripartite initiative exemplifies triangular cooperation's role in advancing regional integration and cooperation through e-governance and digital transformation. Initiated in 2019, this collaborative project does not directly involve physical infrastructure but focuses on enhancing digital connectivity in public administration systems as a means of achieving the VPoA objective of regional integration (Priority 4). A major component of this initiative - Digitalization and Innovation in the Public Sector project, was launched in September 2021 in Central Asia (specifically Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan) and the Caucasus (Azerbaijan, Armenia, Georgia). The project seeks to empower the participating countries by providing training, facilitating knowledge sharing, and offering technical assistance for e-government initiatives. By imparting skills in innovation and digitalization to civil servants, the project enables them to develop solutions that benefit individual countries and the entire region. The focus on sharing expertise and best practices across countries contributes to regional knowledge exchange and facilitates the widespread adoption of innovative approaches in governance activities among the LLDCs in the region (UNDP, 2021, 2023b).

## ii) Paraguay's UNDP-GEF Green Production Landscapes Project

Paraguay's UNDP-GEF Green Production Landscapes Project (GPPL), launched in 2014 with Global Environment Facility (GEF) funding and implemented in collaboration with the United Nations Development Programme (UNDP), stands out as a successful triangular cooperation that contributed to the implementation of the VPoA. The GPPL project demonstrates a practical application of triangular cooperation, indicating the potential for expanding such collaborations into new programme areas focused on sustainable agricultural development. The project includes the Green Commodity Programme (GCP), which collaborates with stakeholders in the Soy and Beef sectors in Paraguay to drive the country's sustainability agenda forward. With a shared vision for action, the GCP aims to advance green production, minimizing environmental degradation while also supporting economic growth through strategic plans (UNDP, 2019). The project actively involves various stakeholders, including the private sector and major commodity buyers, incentivizing farmers to adopt sustainable practices and establishing market-driven solutions for environmental sustainability. The UNDP-GEF Green Production Landscapes Project demonstrates the significant impact of triangular cooperation in supporting LLDCs like Paraguay to achieve sustainable development goals. While Paraguay serves as the beneficiary partner in this triangular cooperation, UNDP and GEF simultaneously serve as the pivotal and facilitating partners. By combining sustainable agricultural practices, market-driven solutions, and capacity building, the project contributes to environmental protection, economic development, and improved livelihoods for Paraguayan communities. This aligns with Priority 5 (Structural Economic Transformation) of the VPoA. The triangular cooperation also fits into Priority 6 (Means of Implementation) of the VPoA as it fosters partnerships for sustainable development.

## iii) China-Mongolia-Russia Economic Corridor

The China-Mongolia-Russia (CMR) economic corridor was formally established in 2016 to foster regional economic cooperation between China, Mongolia and the Russian Federation. The triangular cooperation initiative involves integrated infrastructure projects such as railways, highways, logistics hubs, and joint ventures in sectors like agribusiness, tourism, and technology. The unique contributions of each country provide synergy to the collaboration. Mongolia, as a beneficiary partner, provides access to natural resources and markets; Russia, as a pivotal partner, offers expertise in energy, transportation, and logistics; and China, as a facilitating partner, contributes financial resources, technological expertise, and infrastructure development experience. This collaborative approach facilitates the transformation of the regional economic landscape. The joint project implementation, knowledge sharing, capacity building, and resource mobilization involved in the CMR economic corridor directly addresses Priority 2, Priority 3, Priority 4 and Priority 5 of the VPoA. The initiative demonstrates a comprehensive approach to capacity building, including training programmes for Mongolian and Russian officials in trade facilitation, customs administration, logistics management, and the exchange of best practices in regulatory frameworks and institutional reforms.

Policy coordination within the initiative corresponds to Priority 1 of the VPoA, focusing on fundamental transit transport policy issues. Consideration of environmental sustainability is also a major issue in this initiative. It thus involves collaboration on projects promoting energy efficiency and renewable energy; knowledge sharing and best practices for greening the corridor; and mitigating environmental impacts with emphasis on international trade and trade facilitation. (Ministry of Foreign Affairs of Mongolia, 2016; UN-OHRLLS, 2019; Ministry of Foreign Affairs of Mongolia, 2020; Zoï Environment Network, 2020; Indian Council of World Affairs, 2023).

Overall, a common thread among the three instances of triangular cooperation described in this section is the distinctive identification of the specific needs of LLDCs and the corresponding countries capable of meeting those needs. The traditional donor, acting as a pivotal or facilitating partner, then enables collaboration between these countries to provide essential support that enhances conditions for improved economic outcomes, resilience and shared prosperity among the partners. Though an integral aspect of the collaborative model is its inclusivity, partners have distinctive roles. The exemplars of triangular cooperation discussed in this section confirmed that the major role played by developed countries and partners from the North is the provision of financial and technical resources; while LLDCs largely provide local knowledge and expertise that are upgraded through knowledge sharing and capacity building activities. It is also noteworthy that greening of development cooperation and climate change concerns vividly resonate in one of the three triangular cooperation examples. All stakeholders, including the concerned LLDCs, actively participate in decision-making and execution. This fosters a sense of ownership and is potent in ensuring sustainability. Moreover, the evidence of triangular cooperation in the implementation of the VPoA aligns collaborative projects with national development plans and regional integration initiatives. It is also important to state that the robust monitoring and evaluation mechanisms often associated with triangular cooperation, allowing for necessary adjustments throughout different project phases and enhancing the overall effectiveness of collaborative endeavours.

**5.**

**CONCLUSIONS AND  
RECOMMENDATIONS  
FOR SCALING UP  
SOUTH-SOUTH  
AND  
TRIANGULAR  
COOPERATION**



# 5. CONCLUSIONS AND RECOMMENDATIONS FOR SCALING UP SOUTH-SOUTH AND TRIANGULAR COOPERATION

## 5.1. Conclusions

Within the evolving landscape of global development and the emergence of multipolarity in development cooperation, addressing the peculiar challenges of landlocked developing countries through the implementation of the VPoA has been an arduous task that remains uncompleted. The need for a more vibrant, flexible, and result-oriented approach has become increasingly evident given the uncertainties associated with the unprecedented exposure of LLDCs to global and regional shocks. The dynamic global landscape poses numerous challenges for LLDCs, necessitating innovative and collaborative solutions. This would require scaling up South-South and triangular cooperation in support of a new programme of action that would succeed the VPoA. Upscaling the best/good examples of South-South and triangular cooperation observed during the implementation of the VPoA will not only help in accelerating the pace of moving towards achieving important development targets (e.g., SDGs), but also ensure that a new programme of action pulls in critical resources to sustain economic growth, eradicate poverty, and improve capacity for resilience in anticipation of possible shocks and stressors.

The evidence derived from the analysis in this paper and from the survey results underscore the imperative for a forward-looking New Programme of Action that builds upon the successes of the VPoA and rectifies its shortcomings. It should also address emerging challenges by drawing insights from the experiences of LLDCs, transit countries, and international partners in the implementation of the VPoA. Central to this is the expectation of innovative solutions and programme ownership by important stakeholders through the extension of invitations for programme design inputs to policymakers, academics, development practitioners, and civil society advocates.

The findings reported in this paper amply demonstrate that South-South and triangular cooperation plays significant roles in the achievements recorded by the implementation of the VPoA, though its achievements are considerably limited. The last half of the implementation period of the VPoA was marked by the devastating impacts of COVID-19 pandemic, which stalled or reversed the gains attributable to the first five years of the implementation of the VPoA. The fragile recovery from COVID-19 pandemic has been further disturbed by the challenging global macroeconomic conditions. The introduction of the accelerated roadmap for the implementation of the VPoA in 2020 could not significantly ensure the full implementation of numerous initiatives under the VPoA. It is however remarkable that these initiatives are mostly supported by South-South and triangular cooperation.

South-South cooperation delivered support to LLDCs through different modes including trainings, study tours, capacity building programmes, public-private partnership, specialised funds and joint R&D activities, amongst others. However, this cooperation faced a wide range of challenges in the implementation of the VPoA. These challenges range from poor resource mobilization and predictability to conflicts/wars, insufficient political support, inadequate regulatory framework, and poor alignment with development priorities. Triangular cooperation similarly delivered support to LLDCs and was a major source of critical resources and knowledge sharing in the implementation of the VPoA. It is therefore important to upscale the South-South and triangular cooperation and take cognisance of the associated challenges in the formulation and implementation of a new programme of action. The top two key VPoA priority areas that are identified as likely to attract more involvement of partners in a new programme of action are Priority 2 (infrastructure development and maintenance) and Priority 3 (international trade and trade facilitation).

The study clearly indicates the high prospects for South-South cooperation in support of a new programme of action for LLDCs by providing ample examples of good practices in South-South cooperation in a multipolar global environment. It is particularly noteworthy that emerging powers from the global South (e.g., China and India), are increasingly providing support to LLDCs, indicating a likelihood of heightened assistance for a new programme of action.

Furthermore, the results demonstrate that each VPoA priority area has notable prospects for sustainable, resilient and transformative development in LLDCs in a new programme of action. Overall, the study concludes that a new programme of action needs to consolidate and improve on the achievements of the implementation of the VPoA. The new programme of action is expected to take into consideration new and emerging global development concerns that include issues of climate change and energy transition, digitalization, artificial intelligence, and robotics.

## **5.2. Recommendations**

From the findings of the study, the following are recommendations that could help in scaling up South-South and/or triangular cooperation in the implementation of a new programme of action for sustainable, resilient and transformative development of LLDCs.

### **1. Strengthen the ecosystems and capacities for effective South-South cooperation**

South-South cooperation has become a crucial means of implementation for sustainable and inclusive development. To scale up South-South cooperation, LLDCs must enhance institutional capacity, establish policy and legal frameworks, and develop robust monitoring systems to provide an enabling environment for South-South cooperation initiatives. Active participation in knowledge-sharing, cultivating multi-stakeholder partnerships and innovative solutions and active participation in regional and international platforms are feasible approaches to maximize the benefits of South-South cooperation. LLDCs also need to beef up advocacy for

tailored technical support through enhanced engagement with the UN system and multilateral and regional development banks. Local communities and other national stakeholders, including the private sector, civil society, youth and academia should be encouraged to participate in project planning, implementation, and decision-making so as to increase the ownership and enhance accountability for project outcomes as well as to ensure the long-term success of the South-South cooperation initiatives.

## **2. Mobilize resources by establishing South-South development finance facility and leveraging diverse funding mechanisms**

Establishment of a dedicated South-South development finance facility will help channel resources specifically towards LLDC development projects and programmes. It will also encourage private sector investments in infrastructure development, logistics services, and productive sectors within LLDCs. The establishment of this facility should in no way preclude the utilization of existing funding mechanisms from international organizations, development partners, and regional development banks to support South-South and triangular cooperation initiatives.

## **3. Prioritize regional integration and cooperation**

LLDCs rely heavily on inclusive, equitable and affordable regional connectivity for sustainable and resilient development. Regional integration entails cooperation among LLDCs and the transit countries in broader range of areas including trade and trade facilitation, investment, research and development and policy coordination. Allocating adequate resources to regional integration projects, particularly in infrastructure development, is vital for enhancing connectivity in transport and ICT networks and for fostering economic growth for LLDCs and the transit countries. Therefore, governments of LLDCs and their transit neighbours should exhibit strong political will and strengthen commitment to dismantling bureaucratic obstacles through the harmonization of administrative procedures and regulations that facilitate smoother regional cooperation. They need to promote South-South cooperation in drawing lessons and technological catch-up, raising resources and the systematic exchange of knowledge and experiences for regional infrastructure development and integration.

## **4. Focus on specific sub-regional groups**

Recognizing the diverse needs and challenges among different subgroups, such as resource-rich LLDCs, small LLDCs, and those confronting exceptionally difficult geographical constraints such as the “doubly landlocked” country, is paramount to the transformative development of LLDCs via a new programme of action. LLDCs in the sub-regional groups enjoy closer economic, political and cultural ties that can contribute to long-term regional prosperity and stability. South-South cooperation can be very helpful in tailoring strategies and interventions to the distinctive characteristics of each subgroup for more targeted and effective solutions. For resource-rich LLDCs, a focus on sustainable resource management and economic diversification is essential. Small LLDCs may benefit from initiatives that enhance their resilience and competitiveness in global markets. LLDCs facing special or relatively dire geographical

constraints could benefit from innovative infrastructure solutions and technology applications to overcome their unique challenges. By focussing innovation on the specific contexts of sub-regional groups, the approach will become more adaptive and ensure that the strategies resonate with the realities and aspirations of each subgroup within the broader group of LLDCs.

#### **5. Leverage South-South cooperation to promote technology acquisition and diffusion of new technologies as key drivers of structural economic transformation**

LLDCs should leverage South-South cooperation to promote technology acquisition and the diffusion of new technologies as key drivers of structural economic transformation. ICT, digital technologies and green technologies are crucial for sustainable and transformative development of LLDCs. Upscaling South-South cooperation should emphasize initiatives on expanding the participation of LLDCs in the digital economy and enhancing their innovative capacities to harness technological opportunities and optimize the use of new and emerging technologies. The technological know-how from the Southern partners also holds great promise for green technology applications and for accelerating the transition to clean and renewable energy in LLDCs. Establishing technology transfer mechanisms, such as technology banks, will facilitate the exchange of knowledge and expertise. Furthermore, the creation of innovation hubs and centres, particularly focusing on crucial sectors such as agriculture, healthcare, and renewable energy, will serve as a focal point for R&D and application of new technologies. Public-private partnerships, supportive policies, and incentives will contribute to the success of these endeavours. LLDCs should also prioritize investment in STEM education, capacity building, and technology adoption workshops to empower their workforce and bridge the knowledge gap. By embracing a collaborative approach and fostering South-South cooperation, LLDCs will not only benefit from the transfer of knowledge and expertise but also propel sustainable development and foster structural economic transformation within their nations. In addition, bridging the digital divide in LLDCs requires investments in internet infrastructure, digital skills training, and the development of e-government solutions, which are all crucial for economic growth. Proactive engagement with AI and robotics, guided by ethical frameworks, is essential, and collaboration with research institutions and private companies can enhance LLDCs' capacity in these domains. Integrating these aspects into the broader discussion on leveraging South-South cooperation emphasizes the interconnectedness of technological diffusion and sustainable development in LLDCs. Establishing technology transfer mechanisms, innovation hubs, and capacity-building initiatives through collaborative efforts will ensure a comprehensive approach to structural economic transformation. Public-private partnerships and supportive policies will further contribute to the successful adoption of new technologies and empower LLDCs in their journey towards sustainable development and economic transformation.

#### **6. Cooperate in the pursuit of sustainable agriculture and food security**

In the pursuit of sustainable agriculture and food security, LLDCs should strategically prioritize cooperative efforts, particularly through South-South and triangular cooperation. This collaborative approach is essential to fortify food security and mitigate the adverse effects of climate change on agricultural systems. LLDCs should not only endorse practices like agro-ecology, irrigation systems, and climate-smart farming techniques but also engage in joint R&D



initiatives. Investing in resilient crop varieties and enhancing farmers' access to markets will be more impactful when undertaken collectively through South-South and triangular cooperation. By fostering collaborative initiatives with neighbouring countries, LLDCs can thus leverage regional synergy in agricultural production and trade to ensure a robust, stable, and diversified food supply system. This will be helpful in addressing the challenges posed by climate change and in fostering sustainable development in the agricultural sector.

### **7. Employ South-South and triangular cooperation to facilitate transit transport connectivity and promote trade facilitation**

Connectivity remains at the core of the challenges faced by LLDCs. Addressing it is indispensable for improved trade activities and structural economic transformation. Fostering stronger collaboration with transit countries and efficient corridor management are critical for access to international markets by LLDCs and their participation in global value chains. South-South and triangular cooperation is a crucial platform that can be leveraged to enhance connectivity in LLDCs as it can facilitate collaborative infrastructure projects. This could result in the development and upgrading of transport infrastructure, especially roads, railways, and ports. It can also resolve transit conundrums and enable cross-border trade through the development of digital infrastructure, skills, and services. Upscaling South-South and triangular cooperation can thus enable the learning required by LLDCs to increase the pace of technological applications for trade facilitation.

### **8. Collaborate for disaster risk reduction and resilience building**

Given the heightened vulnerability of LLDCs to natural disasters, ensuring resilience becomes a major pursuit in which South-South cooperation can offer considerable help. This will involve the deployment of early warning systems, the empowerment of community-based disaster preparedness, and the enhancement of infrastructure resilience, all of which are more effective when undertaken collaboratively. Joint endeavours with neighbouring countries, facilitated by South-South cooperation could play a pivotal role in bolstering LLDCs' disaster response and recovery capabilities. To further enhance LLDCs' disaster risk reduction and resilience efforts, strategic investments in research and technology, including hazard mapping and risk assessment, are essential. By integrating these measures through collaborative frameworks, LLDCs can build a resilient foundation that not only safeguards against the impacts of natural disasters but also fosters sustainable development in the face of environmental challenges.

### **9. Empower South-South cooperation to strengthen development and peace nexus**

Rising geopolitical tensions and conflicts are jeopardizing the development trajectory of many LLDCs. South-South cooperation is anchored in the spirit of solidarity and trust. LLDCs should cultivate the long-standing principles of South-South cooperation for collective responses to crises. Similar development path and cultural proximity are conducive for dialogues and policy coordination. LLDCs can employ South-South cooperation to enhance institutional capacity through sharing best practices and peer-to-peer learning among LLDCs facing similar challenges. By leveraging South-South cooperation, LLDCs will not only benefit from shared experiences and

collaborative efforts, but also address their unique development | challenges and thereby promote long-term stability.

#### **10. Engage in policy advocacy on South-South cooperation**

LLDCs should champion international and national policies and initiatives that support South-South and triangular cooperation and promote the integration of LLDCs into the global economy. It is also helpful to promote public awareness and understanding about the importance of South-South and triangular cooperation and the challenges faced by LLDCs among the public and policymakers. Collaboration with research institutions to generate evidence-based knowledge on effective approaches for South-South and triangular cooperation in the development of LLDCs would be necessary. LLDCs need to make full use of the International Think Tank for Landlocked Developing Countries (ITLLDC) in Ulaanbaatar, Mongolia and enhance its role in coordinating research and policy engagement activities that will foster South-South and triangular cooperation in support of the new Programme of Action.

#### **11. Promote knowledge management and monitoring & evaluation**

Creation of online repositories and databases to share best practices, resources, and success stories related to South-South cooperation in the development of LLDCs will be very helpful in fast-tracking the implementation of the new Programme of Action. Implementing robust monitoring and evaluation mechanisms that regularly monitor progress towards achieving the objectives, measure impact, and identify areas for improvement should be a major aspect of the means of implementation of the new Programme of Action. This will serve to enhance the capacity and accountability of LLDCs through open communication and robust monitoring and reporting on the implementation of the PoA and effective utilization of resources.

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## APPENDIX

### Appendix 1: International Agreements Enhancing Trade and Transit Transport Commitments

LLDCs involved	Transit country(ies) involved	Type of South-South Cooperation	Fundamental transit policy issues addressed	Sources
<b>Africa</b>				
Ethiopia	Djibouti	Bilateral	Development of transportation corridors, including railways and highways to connect Ethiopia to the port facilities in Djibouti, including joint investments and the creation of a free trade zone Agreement initiated in 2013.	Ethiopian Ministry of Transport and Logistics (2013) (UNCTAD, 2018).
Zambia	Tanzania	Bilateral	Agreement on development of transportation infrastructure, including Railway Authority Dry port aimed to improve Zambia's transit routes to Tanzanian ports, and access to international markets. Port opened in 2018.	Zambian Ministry of Infrastructure and Housing Development (2016) (Xinhua, 2023; Marine insight, 2022).
Malawi and Zambia	Mozambique	Bilateral	Tripartite agreements that involve the development of transportation corridors and ports (Nacala Port and corridor) to enhance connectivity and facilitate trade for the three landlocked nations. (Project initiated in 2018.	Club of Mozambique (2023)
Zambia, Zimbabwe, and Botswana	SADC (Southern African Development Community)	Regional	Regional agreements with coastal countries like South Africa and Mozambique. Aimed at improving regional transportation infrastructure and facilitate trade within the Southern African region (SADC Framework set in 2013)	UN-OHRLLS - UNECA (2019)

<b>Asia</b>				
Bhutan	India	Bilateral	Free Movement of Goods and Vehicles (Agreement since 2006)	Bhutanese Ministry of Economic Affairs (2006)
Kyrgyzstan	Uzbekistan	Bilateral	Agreement on Transit Traffic to facilitate the movement of transit cargo and prove border infrastructure and facilities (Agreement in 2021)	Kyrgyz Ministry of Transport and Communications (2021)
Lao PDR	ASEAN member countries	Multilateral	Regional Multimodal Transport System (ASEAN Framework Agreement set in 2005)	ASEAN Secretariat (1995)
Lao PDR	Cambodia, Thailand, Vietnam	Multilateral	Cross-Border Transport Facilitation (2005 ASEAN Framework Agreement)	GMS Program Management Unit (2005)
Afghanistan, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan	All CAREC member countries	Multilateral	Trade Facilitation and Regional Economic Integration (2009 CAREC Agreement)	CAREC Secretariat (2009)
<b>Europe</b>				
Armenia and Azerbaijan	Georgia and Iran	Multilateral	Astara cargo terminal construction project , construction of hydroelectric power plants, new railway lines and bridge (2023 Agreement)	Boltuc (2023)
Moldova	Romania, Ukraine	Multilateral	Improvement of road infrastructure and customs procedures to facilitate trade and transit along the Black Sea Ring Road (2017 Initiative)	BSEC (2017)

Moldova	Romania	Bilateral	Agreement on the Development of the Galati-Giurgiuilesti-Leova-Cantemir Road Corridor (2022 Agreement)	
<b>South America</b>				
Bolivia	Chile	Bilateral	Development of Puerto Busch Multimodal Hub: port, dry port, logistics center; Technical assistance and facilitation of goods movement; Improvement of border infrastructure and procedures (2023 Agreement)	UNCTAD (2023)
Paraguay	Uruguay	Bilateral	Elimination of unnecessary trade procedures; Improvement of border infrastructure and customs clearance; Joint logistics strategy development for transport and logistics services (2023 declaration)	UNCTAD (2023)
Bolivia	Chile, Peru	Multilateral	Development of Andean Multimodal Transport Corridor (2019 Initiatives)	Andean Community of Nations (2019)
Paraguay	Argentina, Brazil, Uruguay	Multilateral	Trade Facilitation and Connectivity Framework Agreement (2020 Initiatives)	MERCOSUR (2020)

**Source:** Compiled from different reports as shown in the last column

# SURVEY OF THE ROLE OF SOUTH-SOUTH AND TRIANGULAR COOPERATION IN THE IMPLEMENTATION OF THE VIENNA PROGRAMME OF ACTION FOR THE LLDCs

## Summary of survey results

### 1. Introduction

The Vienna Program of Action for the Landlocked Developing Countries (LLDCs) for the Decade 2014-2024 (VPoA) aimed to address the special development needs and challenges faced by LLDCs. It was based on renewed and strengthened partnerships between LLDCs, transit countries and development partners. The VPoA recognized the role of South-South and triangular cooperation (SSTC) in the growth and development of LLDCs as well as transit developing countries.

As the VPoA is coming to an end, the United Nations Office of the High Representative for LDCs, LLDCs and SIDS (UN-OHRLLS) is currently preparing a diagnostic study to analyse the impact of SSTC on the implementation of the VPoA, identify challenges and shortfalls, share best practices, and put forward recommendations on scaling up SSTC for achieving the goals and targets of a new Program of Action for LLDCs. The study will serve as a background document for the Ministerial Meeting on South-South Cooperation to be held during the Third United Nations Conference on the Landlocked Developing Countries (LLDC3) in Kigali, Rwanda from 18 to 21 June 2024.

As part of the diagnostic study, this report presents the summary of the findings from a survey of stakeholders on the VPoA implementation experience, the role of South-South and triangular cooperation in the implementation of the VPoA, and prospects for upscaling South-South and triangular cooperation for a new program of action to be adopted at the LLDC3 Conference. The survey was carried out between 1 and 30 November 2023 via online Google Form portal; and 36 key stakeholders from relevant government and international organizations in different countries completed the survey questionnaire. Table 1 shows the distribution of the respondents by type of organisation of key stakeholders that participated in the survey. A predominant of 63.9% of respondents are from government organizations, underscoring a substantial engagement of stakeholders at the national level. In contrast, 36.1% of participants are affiliated with inter-governmental/multilateral organizations. This suggests that the survey's insights are biased towards the viewpoints of national-level stakeholders. This notwithstanding, the findings of the survey provide very useful insights into the role of South-South and triangular cooperation in the implementation of the VPoA and lessons for upscaling South-South and triangular cooperation for improved implementation of a new program of action to succeed the VPoA.

**Table 1: Type of organisations involved in the survey**

Type of organisation	Frequency	Percentage
Government	23	63.9%
Inter-governmental/multilateral	13	36.1%
<b>Total</b>	<b>36</b>	<b>100</b>

Source: Survey, 2023

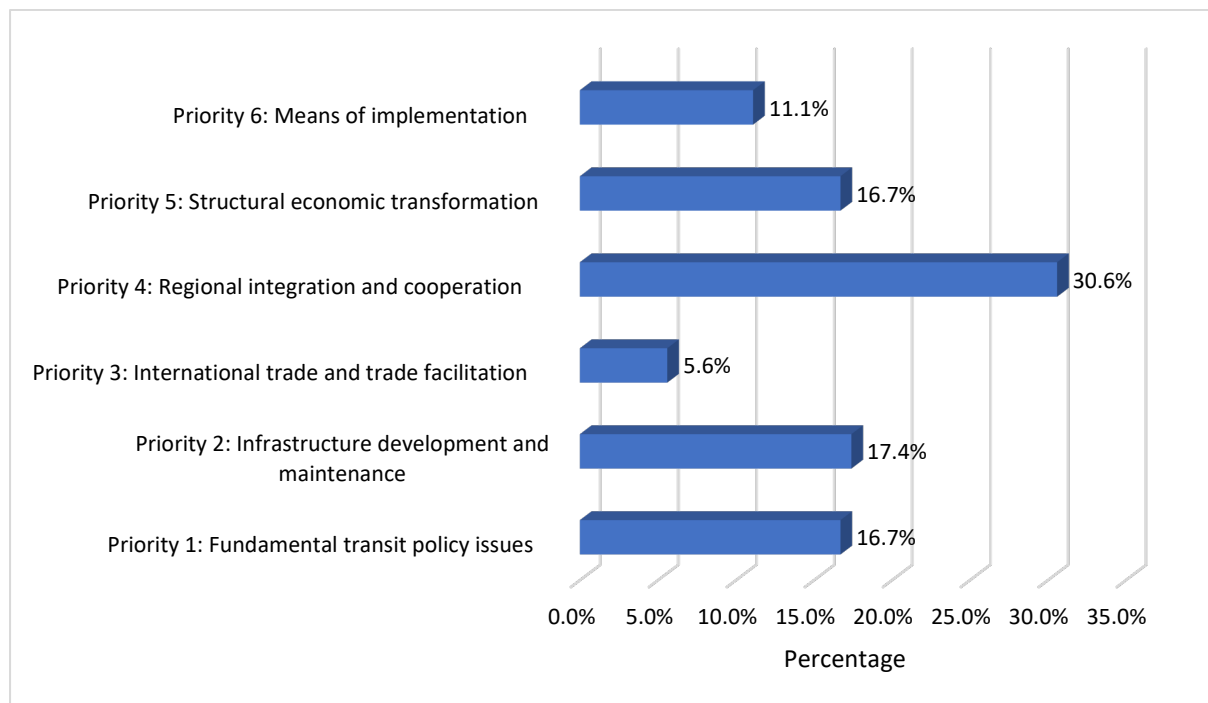
This summary report is structured as follows: section two presents an overview of the VPoA implementation experience by the respondents; section three discusses South-South and triangular cooperation in the implementation of the VPoA; and the final section presents the prospects of upscaling South-South and triangular cooperation for a new program of action.

## 2. VPoA Implementation Experience

### 2.1. VPoA priority area most relevant to the organisational mission

The analysis of the survey reveals distinct patterns in the perceived relevance of VPoA priority areas to diverse organizational missions. As shown in Figure 1, regional integration and cooperation (Priority 4) appears to be the most relevant to the mission of the respondents (30.6%). Infrastructure development and maintenance (Priority 2) is considered most relevant to organizational mission by 17.4% of the respondents; while 16.7% of the respondents considered fundamental transit policy issues (Priority 1) and structural economic transformation (Priority 5) most relevant to their organizational missions. However, means of implementation (Priority 6) and international trade and trade facilitation (Priority 3) are perceived to be comparatively lower in relevance to organization missions of the respondents. These findings thus reveal that regional integration and cooperation (Priority 4) is the most common interest of the respondents to this survey. While this may bias the responses towards emphasising issues of regional integration and cooperation, it is however important to note that South-South and triangular cooperation will benefit considerably from activities that foster regional integration and cooperation.

**Figure 1: VPoA priority area most relevant to organisational mission**



**Source:** Survey, 2023

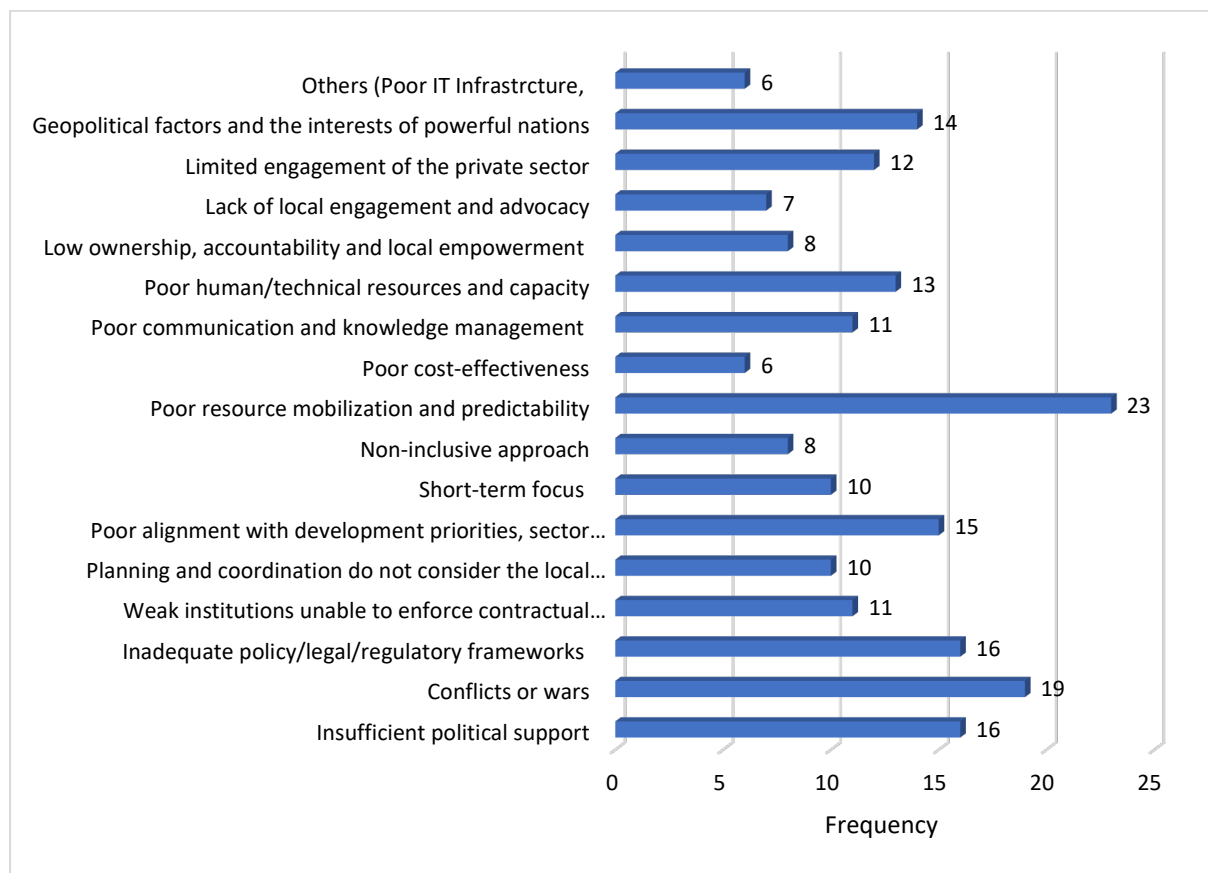


## 2.2. Main barriers/constraints to South-South and triangular cooperation in the implementation of the VPoA

The analysis of barriers to South-South and triangular cooperation in the implementation of the VPoA reveals a spectrum of challenges faced by participating entities. From the survey results in Figure 2, foremost among the barriers/constraints is poor resource mobilization and predictability, which stands out as a substantial hurdle with the highest frequency at 23. This underscores the imperative of adept resource management strategies to guarantee the consistency and sufficiency of resources for implementing a new program of action that would succeed the VPoA. Capacity building in resource management may be a key feature of upscaling South-South and triangular cooperation for the implementation of a new program of action.

Conflicts or wars emerge as the second critical obstacle, marked by a frequency of 19, indicating the gravity of conflict resolution measures in providing the conducive environment for the implementation of a new program of action

**Figure 2: Constraints to South-South and triangular cooperation in the implementation of the VPoA**



Source: Survey, 2023

Insufficient political support and inadequate policy/legal/regulatory frameworks are also prominent barriers, each registering frequencies of 16, thereby signifying the need to improve political commitment and regulatory reforms in support of South-South and triangular cooperation in LLDCs.

Poor alignment with development priorities, sector strategies, and plans was acknowledged as barriers to South-South and triangular cooperation with a frequency of 15. In addition, geopolitical factors and the interests of powerful nations (denoted by a frequency of 14) are also considered as important barriers to South-South and triangular cooperation during the implementation of the VPoA. Poor human/technical resources and capacity and limited engagement of the private sectors also feature as important barriers with frequency mention of 13 and 12 respectively.

Other noteworthy barriers or constraints on South-South and triangular cooperation include weak institutions, grappling with an inability to enforce contractual obligations, and planning and coordination lacking consideration for the local context, each identified with frequencies of 11 and 10 respectively. These findings underscore the susceptibility of institutional structures and stress the significance of context-sensitive planning for successful South-South and triangular cooperation.

The findings demonstrates the existence of multifaceted barriers/constraints on South-South and triangular cooperation in the implementation of the VPoA. Development stakeholders should address these barriers as much as possible in the planning and program design for a new program of action. Removing barriers to South-South and triangular cooperation should be a key issue in the framing of the means of implementation of a new program of action.

### **3. South-South and Triangular Cooperation in the Implementation of the VPoA**

#### **3.1. Roles played by organizations in specific South-South or triangular cooperation initiatives**

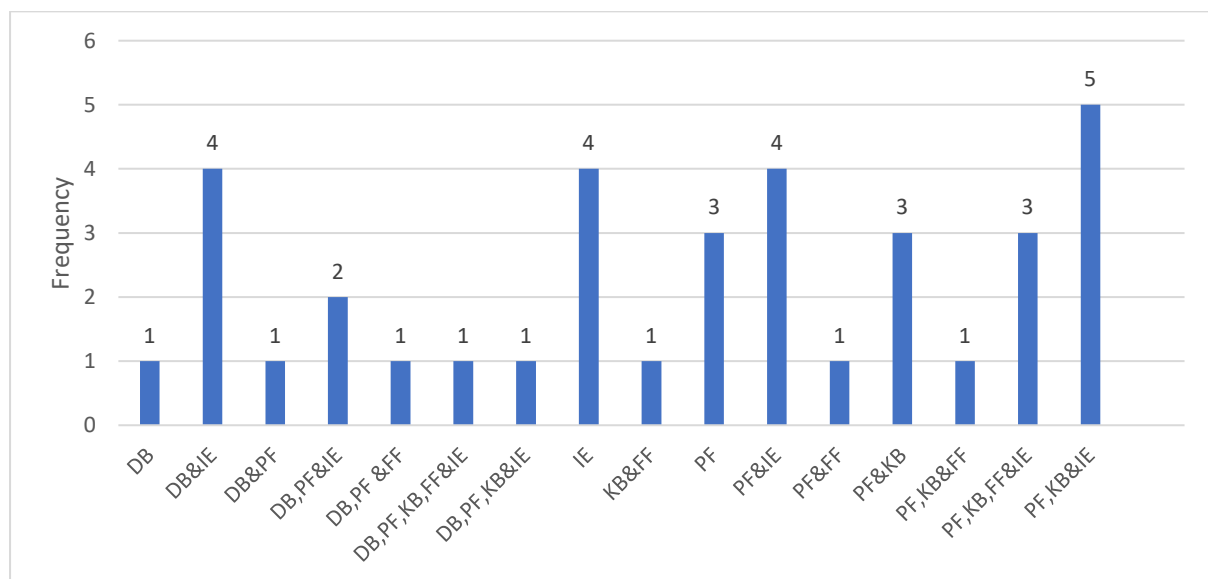
Figure 3 provides a breakdown of the roles that organizations have played in specific South-South or triangular cooperation initiatives (i.e., programs or projects) with corresponding frequencies. The total number of 36 responses indicates a significant level of engagement across the surveyed organizations. The roles of these organizations are categorized as Direct Beneficiary (DB), Partnership Facilitator (PF), Knowledge Broker (KB), Financier or co-Financier (FF) and Implementing Entity (IE), and respondents were given the option to select multiple roles.

It is apparent from the results in Figure 3 that organizations have diverse involvement in these initiatives. "PF,KB&IE" (Partnership Facilitator, Knowledge Broker, and Implementing Entity), "IE" (Implementing Entity), and "DB&IE" (Direct Beneficiary and Implementing Entity) emerge as the most frequently selected roles respectively with frequencies of 5, 4, and 4 respondents. This underscores the multifaceted nature of organizational roles in South-South and triangular cooperation initiatives. It also highlights the prevalence of organizations engaged in hands-on implementation activities, often taking on the roles of a direct beneficiary and an implementing entity concurrently.

Other combination of roles that exist among organizations involved in South-South and triangular cooperation during the implementation of the VPoA include "PF&KB" (Partnership Facilitator and Knowledge Broker), "PF, KB &IE" (Partnership Facilitator, Knowledge Broker, Financier or co-Financier, and Implementing Entity), and "PF, KB, FF&IE" (Partnership Facilitator, Knowledge Broker, Financier or co-Financier, and Implementing Entity). These combinations further illustrate the multifaceted roles some organizations play, involving partnership facilitation, knowledge provision, financial support, and direct participation in South-South and triangular cooperation initiatives. This finding indicates the importance of promoting diverse engagement, collaborative partnerships, targeted initiatives for direct implementation, financial involvement alongside implementation responsibilities, knowledge sharing among organizations serving as knowledge brokers, recognition of the multifaceted nature of roles, and the implementation of a robust monitoring and evaluation system to assess effectiveness.

In summary, the responses illustrate a varied landscape of organizational roles in South-South or triangular cooperation initiatives, showcasing a mix of direct implementation, partnership facilitation, and knowledge brokering as leading roles in South-South and triangular cooperation during the implementation of the VPoA. This diversity suggests a collaborative and integrated approach to these initiatives, with organizations taking on multiple roles to contribute effectively to the success of cooperation programs and projects.

**Figure 3: Roles played by organisations in specific South-South or triangular cooperation initiatives**



**Note:** DB = Direct beneficiary; PF = Partnership Facilitator; KB = Knowledge Broker; FF = Financier or Co- Financier; IE = Implementing Entity

**Source:** Survey, 2023

### 3.2. Modes of delivering South-South and triangular cooperation based on organizational experience

The analysis of responses regarding the modes of delivering South-South and triangular cooperation initiatives provide insight into the considerations by organizations when determining the importance of different modes of delivering South-South and triangular cooperation initiatives. The rating was done by respondents on a scale of 1 to 5, with 1 as the most important and 5 the least important or unimportant. We therefore assume in this analysis that any rating less than 3 is important while any rating greater than 3 is unimportant. Table 2 thus shows that **training and other capacity building projects or programs** are considered as important modes of delivering South-South and triangular cooperation with 29 and 27 respondents respectively viewing them as important or most important. This widespread acknowledgment of the role of capacity building as mode of South-South and triangular cooperation underscores the pivotal role of enhancing capabilities and skills in fostering effective cooperation. The emphasis on capacity building also confirms the significance of empowering stakeholders with the necessary tools and knowledge through South-South and triangular cooperation during the implementation of the VPoA. **Joint research & development activities and knowledge networks** were also perceived as important modes of South-South and triangular cooperation by relatively many respondents, 24 each. This indicates that South-South and triangular cooperation paid attention to issues of collaborative knowledge and knowledge exchange which are critical to innovation activities required to foster structural transformation of the LLDCs.

**Table 2: Modes of delivering South-South and triangular cooperation**

Modes of SSTC	No. of respondents rating mode as	
	Important	Unimportant
Trainings	29	4
Study tours	20	4
Capacity building projects or programs	27	7
Public-private partnerships	16	11
Specialized funds or trust funds	19	7
Technology needs assessments or action plans	22	4
Joint research & development activities	24	7
Knowledge networks	24	6

**Source:** Survey, 2023

It is also important to note that **study tours and technology needs assessments or action plans** were considered important as modes of delivering South-South and triangular cooperation by appreciably more than half of the respondents (i.e., respectively 20 and 22 respondents out of 36 cases). This finding suggests that issues of practical knowledge acquisition that may promote technology transfer were considered important by most of the respondents. In contrast to this, less than half of the respondents (16 cases) and about half of the respondents (19 cases) respectively consider **public-private partnerships** and **specialized funds or trust funds** as important mode of delivering South-South and triangular cooperation. This finding perhaps indicates that the LLDCs are yet to take considerable advantage that public-private partnerships

presented for South-South and triangular cooperation and specialized funds available for implementation of the VPoA initiatives were too little or not sufficiently accessible during the implementation of the VPoA. Public-private partnership and specialized funding would need to be specially promoted as key components of upscaling of South-South and triangular cooperation for the implementation of a new program of action that succeeds the VPoA.

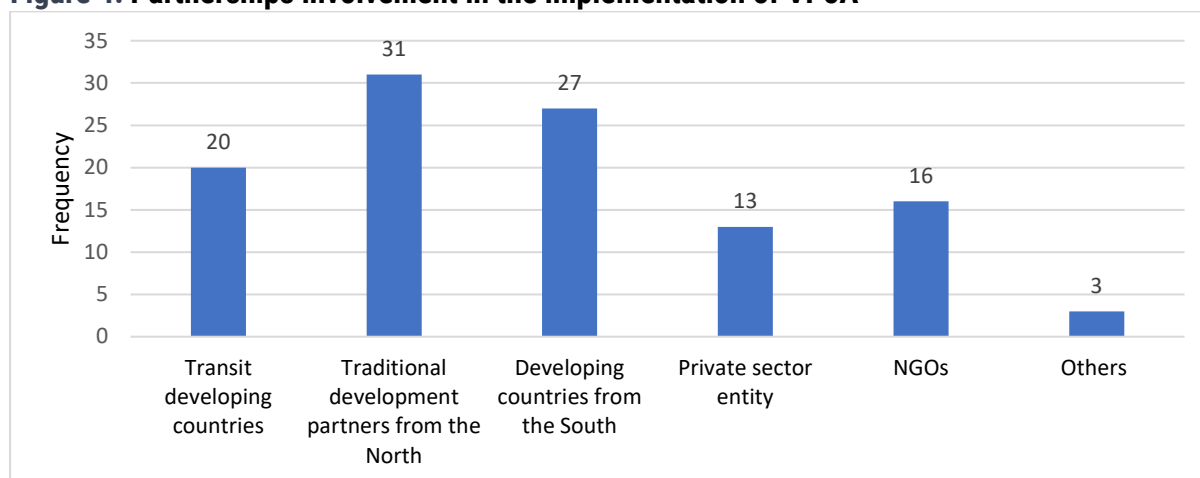
### 3.3. Type of partnerships in the implementation of VPoA

Figure 4 shows the distribution of diverse range of partners engaged with respondent organisations in the implementation of the VPoA. Traditional development partners from the North are prominently involved with 31 respondents reporting their participation, reflecting the leading roles of established donor countries and international organizations in partnerships for VPoA implementation. Following closely are 27 respondents reported as partners from developing countries from the South, demonstrating a commitment to South-South cooperation and increasing support from Southern countries in an emerging multipolar world.

Twenty respondents indicated collaboration with transit developing countries in the implementation of the VPoA; 16 indicated partnership with non-governmental organizations (NGOs); and 13 worked with private sector entities. While the transit countries and NGOs are fairly involved as partners in the implementation of the VPoA, the private sector apparently needs to be more committed in the implementation of a new program of action.

The array of partners in the implementation of the VPoA provides an opportunity for strengthening existing partnerships with traditional development partners from the North, fostering South-South cooperation, and promoting private sector engagement. Actively harnessing the expertise of NGOs and exploring unique collaborations with partners such as research institutes and local/sub-national governments are also crucial steps. A robust but flexible monitoring and evaluation framework adaptable to changing circumstances will foster the success of these approaches in the implementation of a new program of action.

**Figure 4: Partnerships involvement in the implementation of VPoA**

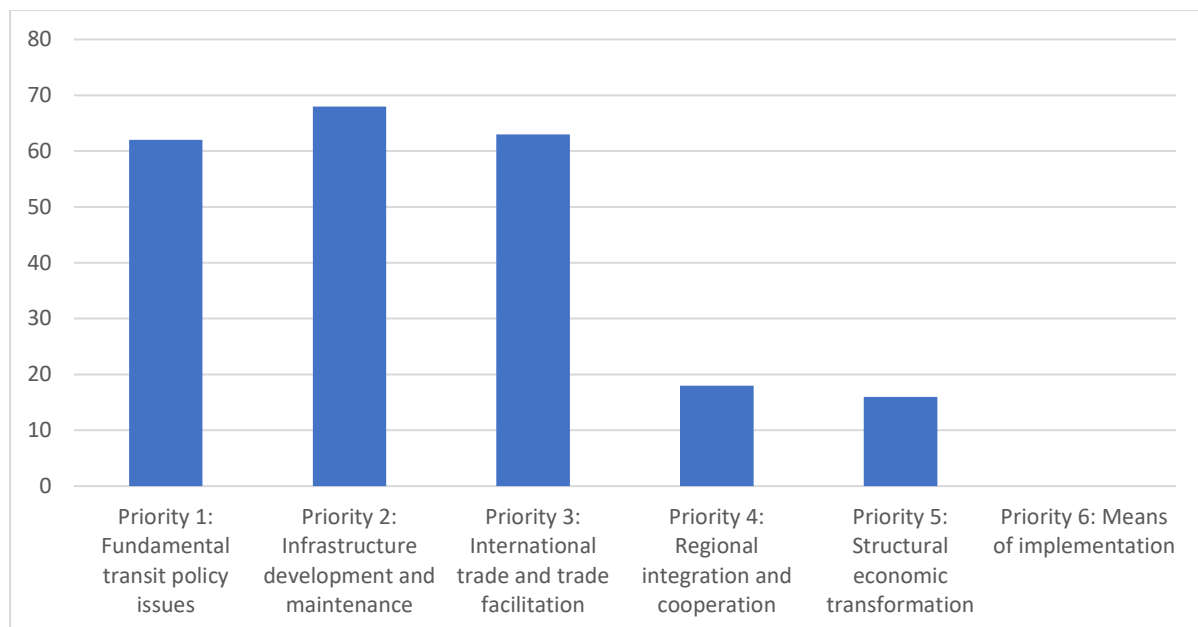


Source: Survey, 2023

### 3.4. Priority areas of the VPoA supported by the partners

The analysis shown in Figure 5 provides insights on the priority areas of the VPoA supported by partners during the implementation of the VPoA. These partners include transit developing countries, traditional development partners from the North, developing countries from the South, private sector entities, and NGOs. Infrastructure development and maintenance (Priority 2) notably emerge as the top priority as evidenced by the highest frequency (68) of support by partners. Following closely, international trade and trade facilitation (Priority 3) exhibit a frequency of 63, while fundamental transit policy issues (Priority 1) also garner robust support at a frequency of 62. However, regional integration and cooperation (Priority 4) and structural economic transformation (Priority 5) received relatively low support by partners with frequency of 18 and 16 respectively. This is an indication that Priority 4 and Priority 5 of the VPoA were not widely supported by partners during the implementation of the VPoA. It is also important to note from Figure 5 that the respondents indicate that means of implementation (Priority 6) was not supported by any of the partners. This suggests that means of implementation (Priority 6) might have been little understood or did not provide sufficient attraction for significant support by partners during the implementation of the VPoA. It would therefore be necessary to specially stress the critical roles of upscaling South-South and triangular cooperation for “regional integration and cooperation” and “structural economic transformation” in achieving resilient and sustainable development through a new program of action post VPoA. “Means of implementation” will also need to be reworked or repackaged to attract partners in support of a new program of action.

**Figure 5: Priority areas of VPoA supported by the partners**



**Source:** Survey, 2023

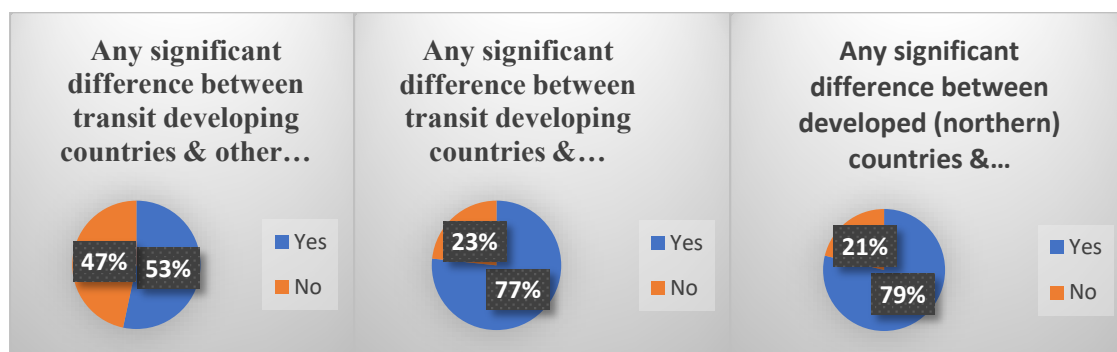
### 3.5. Comparison of support provided by partners

Figure 6 provides the results of the comparative analysis of the differences between support by partners as perceived by the respondents.

*Transit developing countries and developing countries from the South*

The distribution of opinions in response to the question of whether there is any significant difference between support provided by partners from transit developing countries and other developing countries reflects only a subtle difference in perspective of the surveyed group (Figure 6). The fact that 53% of respondents perceive a significant difference while 47% do not suggests a near balance between those who observe distinctions in support strategies, priorities, or contributions and those who perceive similarities between partners from transit developing countries and other developing countries from the South. This rather balanced response indicates a complex and varied landscape in support received by LLDCs. The explanations behind these opinions, which are not provided in the frequency table, could encompass factors such as cultural proximity, shared challenges, economic interests, or historical ties. The findings highlight the need for a detailed understanding of the specific contexts and dynamics that influence the perceived differences or similarities in support from these two categories of partners in the implementation of the VPoA.

**Figure 6: Perception of differences between support provided by partners to LLDCs**



**Source:** Survey, 2023

*Transit developing countries and developed countries from the North*

As shown in Figure 6, 77% of the respondents indicate a significant difference in support between partners from transit developing countries and developed countries from the North, while 23% indicate otherwise. This suggests a prevailing opinion among the respondents that distinctions exist in support provided by these two categories of partners in the context of the implementation of the VPoA.

The responses from various organizations shed light on the diverse perspectives regarding the perceived difference in support between partners from transit developing countries and developed countries from the North. Some responses highlight the financial assistance and trade development facilitated by developed countries from the North in collaboration with transit countries. Others emphasize the significance of support from transit developing countries, citing proximity, shared cultural aspects, and the potential for quicker collaboration compared to traditional donors. Furthermore, distinctions are drawn in terms of the nature of support, with

developed countries often providing strategic, long-term aid, encompassing financial, technological, and policy dimensions, while transit developing countries focus on regional integration and trade facilitation. Despite variations in perspectives, there are also views suggesting that the support from both types of partners is essential and complementary, contributing to the overall development of LLDCs. The responses collectively underscore the nature of international partnerships and the multifaceted nature of support, highlighting the importance of considering specific capabilities and contextual factors in evaluating assistance provided by different partners.

#### *Developed (northern) countries and developing (southern) countries*

As shown in Figure 6, 79% of the respondents indicate a significant difference in support between partners from developed (northern) countries and developing (southern) countries, while 21% indicate otherwise. As in the previous case, this also suggests a prevailing opinion among the respondents that distinctions exist in support provided by these two categories of partners in the context of the implementation of the VPoA.

The findings above is clarified by varied explanations offered by respondents to the survey. Some respondents emphasize financial and material resources as explaining the differences between the two types of partners, asserting that partners from developed countries (North) generally have more of these resources compared to those from developing countries (South). Others highlight differences in objectives, means, and priorities, with developed countries often focusing on pre-defined priorities and developing countries operating based on the demand of beneficiaries. Moreover, the influence of South-South cooperation is perceived to suggest that support from developing countries is guided by principles of solidarity and mutual gains, potentially differing from commercially oriented assistance. There is however an acknowledgment of the importance of both types of support as being mutually reinforcing. While developed countries often offer strategic, comprehensive aid; developing countries provide more immediate and practical assistance.

### **3.6. Usefulness of support provided by partners for VPoA implementation with respect to progress towards achieving SDGs**

Table 3 shows the summary of the rating of the extent of the usefulness of support provided by partners for VPoA implementation regarding progress towards the achievement of SDGs by LLDCs. The rating was on a scale of 1 to 5 (1 = very useful, and 5 = not useful). The results in Table 3 demonstrate that the supports provided by all types of partners involved in the implementation of the VPoA are considered useful towards the achievement of the targets of the SDGs by LLDCs. The supports by traditional development partners from the North are generally considered most useful by the respondents. This suggests that while development partners from the North should be more committed and improve on support provided for the implementation of the VPoA, other partners should learn from the experiences of the partners from the North and strive to make profound improvement on the quality and scope of support to be provided for a new program of action.



**Table 3: Extent of usefulness of supports provided for VPoA implementation by partners with respect to SDGs targets**

Type of partner	Extent of usefulness of support provided 1 = very useful; 5 = not useful
Transit developing countries	2.32
Traditional development partners from the North	1.83
Developing countries from the South	2.17
Private sector entity	2.44
NGOs	2.41

Source: Survey 2023

#### 4. Prospects of Upscaling South-South and Triangular Cooperation for a New Program of Action

##### 4.1. Achievement of the VPoA implementation

Table 4 shows the summary of the rating of the achievement of the implementation of the VPoA in the six priority areas between 2014 and 2023. The rating was on a scale of 1 to 5 (1 = very successful, and 5 = not successful). The average rating shows marginal disparity in the achievement of the six priority areas of the VPoA. The average rating of means of implementation (Priority 6) is somewhat neutral or at midpoint between 1 and 5, making it difficult to determine the general perception of the respondents on the success of Priority 6. The average rating of the perception by respondents of structural economic transformation (Priority 5) and infrastructure development and maintenance (Priority 2) tilts towards successful (less than 3.0); while the average rating of fundamental transit policy issues (Priority 1) international trade and trade facilitation (Priority 3), and regional integration and cooperation (Priority 4) tilts toward being unsuccessful (above 3.0). From these findings, it appears the respondents generally do not perceive the implementation of the VPoA in the various priority areas as considerably successful. The perception levels of the success in Priority 2 and Priority 5 were marginal, while the perception levels of Priority 1, Priority 3 and Priority 4 tilted towards being perceived somewhat unsuccessful. Since these results are from perception of stakeholders, it should be treated with caution. A more rigorous analysis is required to ascertain the success or otherwise of the implementation of the VPoA in the six priority areas. It suffices here to conclude that development stakeholders who responded to the survey generally perceive the implementation of the VPoA as not achieving remarkable level of success in the various priority areas.

**Table 4: Rating of the achievement of VPoA implementation, 2014-2023**

<b>VPoA priority area</b>	<b>Rating average score 1 = very successful; 5 = not successful</b>
<b>Priority 1:</b> Fundamental transit policy issues	3.41
<b>Priority 2:</b> Infrastructure development and maintenance	2.96
<b>Priority 3:</b> International trade and trade facilitation	3.29
<b>Priority 4:</b> Regional integration and cooperation	3.38
<b>Priority 5:</b> Structural economic transformation	2.90
<b>Priority 6:</b> Means of implementation	3.00

**Source:** Survey 2023

#### **4.2. Extent to which VPoA implementation enabled progress towards achieving SDGs**

Table 5 shows that average rating of the sampled stakeholders' perception on the extent to which the implementation of the VPoA's six priority areas has enabled progress towards achieving the targets of the SDGs. The perception is measured on a scale of 1 (very large extent) to 5 (little or no effect). The average rating reveals that the VPoA implementation surpassed the average bound and has enabled LLDCs advancement towards achieving SDGs. As is the case in the rating of the VPoA implementation success rating, the resolution of fundamental transit policy issues in LLDCs has the highest rating, showing that it leads the way in accelerating the progress towards achieving the targets of the SDGs. It is closely followed by international trade and trade facilitation as well as regional integration and cooperation with means of implementation having the least rating. The relatively high ratings of these priority areas further show that the VPoA has not only improved the economic situations in LLDCs but has also made considerably contribution to LLDCs' potential for achieving the SDGs. Nevertheless, the ratings show that efforts must be intensified for LLDCs to eventually achieve the SDGs not later than 2030. As the timeline of the VPoA ends in 2024, six years before the SDGs' expiration, a new program of action needs to be put forward to build on the current drive for the resilient and transformative development of LLDCs.

**Table 5: Extent to which VPoA implementation enabled progress towards achieving SDGs**

<b>VPoA priority area</b>	<b>Rating average score 1 = very large extent 5 = little or no effect</b>
<b>Priority 1:</b> Fundamental transit policy issues	3.70
<b>Priority 2:</b> Infrastructure development and maintenance	3.46
<b>Priority 3:</b> International trade and trade facilitation	3.65
<b>Priority 4:</b> Regional integration and cooperation	3.63
<b>Priority 5:</b> Structural economic transformation	3.28
<b>Priority 6:</b> Means of implementation	3.15

**Source:** Survey 2023

### 4.3. Suggestions towards a new program of action

Table 6 presents a menu of suggestions made by the survey respondents for changes or improvements in the six priority areas of the VPoA to achieve a sustainable, resilient and transformative development of LLDCs. Having established the need for a new program of action to succeed the VPoA, these suggestions are instructive and useful indications for not only the design of a new program of action, but also for planning the mechanisms for the upscaling of South-South and triangular cooperation in the implementation of the new program of action. The multiplicity of suggestions in each priority area shows the high expectations of stakeholders in ensuring that LLDCs become more resilient and competitive in the global space. It also indicates that a new program of action should be more elaborate than the VPoA to address the multifarious challenges facing LLDCs.

**Table 6: Suggestions for improving the VPoA based on priority areas**

VPoA priority area	Suggestions for changes and improvement
<p><b>Priority 1:</b> Fundamental transit policy issues</p>	<ul style="list-style-type: none"> <li>• Better consultation in the formulation and implementation of projects between transit countries and other developing countries, and compliance with commitments made by each party.</li> <li>• Emphasis should be placed on policy harmonization, strengthened regulatory frameworks, and public-private partnerships to address transit challenges.</li> <li>• More political commitment and support from transit countries.</li> <li>• Diversify transit routes, and eliminate transport barriers and bureaucratic formalities by transit countries.</li> <li>• Consider enclaves for landlocked countries.</li> <li>• Leverage ICT to simplify internal organizational processes, reduce procedures and decision-making circuits, reduce public spending through the pooling of infrastructures and systems, etc.</li> </ul>
<p><b>Priority 2:</b> Infrastructure development and maintenance</p>	<ul style="list-style-type: none"> <li>• Increase financing of transnational projects and Infrastructure Development Fund by international development organizations and developed countries.</li> <li>• Strengthen the soft aspects of cross-border infrastructure (e.g., transport agreements, power/energy trading agreements and operational framework) and focus on digital infrastructures.</li> <li>• Prioritize sustainable infrastructure planning, and incorporate resilient design and green technologies.</li> <li>• Strengthen investment frameworks promoting public-private partnerships and enhancing project management capacities.</li> <li>• Emphasize effective maintenance strategies, asset management, and long-term financing mechanisms to ensure the durability and effective operation of critical infrastructure.</li> <li>• Intensify and diversify transport corridors and logistics (rail and road) for a revitalization of trade.</li> <li>• Carry out feasibility studies of energy projects (including energy renewables) to improve access to electricity, reduce the cost of doing business and improve the quality of life of citizens.</li> </ul>

<p><b>Priority 3: International trade and trade facilitation</b></p>	<ul style="list-style-type: none"> <li>• Establish and operationalize consultation mechanisms between border agencies of transit countries and other developing countries.</li> <li>• Develop e-commerce and focus on digital trade while strengthening capacities to digitize trade documents.</li> <li>• Improve digital access to enable digitalization and interconnection for procedures at corridor level; promote the tourism sector; support the formalization of all traditional/artisanal mineral exploitation of industrial minerals, construction materials, and precious stones and metals.</li> <li>• Enhance resilience of regional and global supply chains, promoting digital solutions for trade, and greater utilization of free trade agreements</li> <li>• Support on trade facilitation needs to be provided at all levels - intergovernmental, regional, national and sub-national levels.</li> <li>• Prioritize trade diversification, export capacity building, and market access facilitation.</li> <li>• Streamline customs procedures, enhance digital trade platforms, and promote regulatory coherence.</li> <li>• Introduce new financial institutions and instruments to provide finance to exporters and reduce the time spent on preparing export documentation</li> <li>• Rigorous application of country commitments.</li> </ul>
<p><b>Priority 4: Regional integration and cooperation</b></p>	<ul style="list-style-type: none"> <li>• Improve financial support from international organizations and developed countries for the creation of transnational infrastructure in LLDCs.</li> <li>• Respect for community principles of freedom of movement of goods, people and capital and the right of establishment in developing countries and transit countries.</li> <li>• Greater focus on improving the soft aspects of connectivity, especially by harmonization of standards and simplification of processes/procedures.</li> <li>• Prioritize regional integration through harmonized policies, streamlined regulations, and infrastructure connectivity.</li> <li>• Emphasize knowledge sharing, capacity building, and cultural exchange to strengthen regional cooperation.</li> <li>• Formulate a concise and well-structured collaborative strategy and project schedule to enhance the efficiency and efficacy of the planned activities.</li> <li>• Increase transparency of cross-border requirements by removing regulatory and procedural barriers, and strengthening business capacity to comply with trade formalities and standards.</li> <li>• Harmonize global and national policies in favor of achieving the VPoA and interconnect sub-regional networks</li> </ul>
<p><b>Priority 5: Structural economic transformation</b></p>	<ul style="list-style-type: none"> <li>• Increased support from developed countries for the local production of agricultural inputs, the establishment of modern irrigation systems and the local manufacturing of agricultural equipment in developing countries.</li> <li>• Foster inclusive growth strategies, promote entrepreneurship, and invest in sustainable technologies.</li> <li>• Improve infrastructure, education, and institutional frameworks to support the development of new industries and the diversification of the economy.</li> <li>• Actively engage and create enabling policy environment such that diaspora remittances, investment, skills and experience can be maximized for</li> </ul>

	<p>innovation, economic development and diversification, including the needed green transition.</p> <ul style="list-style-type: none"> <li>• Take into account innovative areas of the economy, such as green technologies, creative industry, creation of modern trade and logistics infrastructure, digitalization and attraction of investments.</li> <li>• More emphasis on support to LLDCs in (i) developing intellectual property (IP) ecosystems for promoting innovation and creativity; (ii) enhancing support services for leveraging innovation and IP for economic growth, diversification and sustainable development; (iii) increasing IP knowledge and skills in LLDCs.</li> </ul>
<p><b>Priority 6:</b> Means of implementation</p>	<ul style="list-style-type: none"> <li>• Raise awareness among governments to allocate resources as part of monitoring the next program of action.</li> <li>• Develop a performance measurement framework for the next program and encourage countries to adopt it.</li> <li>• Development partners need to improve coordination and do more co-financing for better synergy. More efforts should be made to mobilize private sector investment for improved domestic resource mobilization.</li> <li>• Add a focus on digital enablers and building local capacity in key areas such as innovation, policy implementation and law enforcement.</li> <li>• Pool resources for the execution of regional development projects linked to trade, transport, energy, etc.; support the creation of cross-border social and economic infrastructure and facilities; and ensure the effectiveness of sub-regional economic solidarity mechanisms.</li> <li>• Comply with funding commitments.</li> </ul>

Source: Survey 2023

#### 4.4. Barriers/constraints to South-South and triangular cooperation for a new program of action for LLDCs

The possible barriers to South-South and triangular cooperation for a new program of action for LLDCs are multifarious. Table 7 describes these barriers and assumes the extent of their likelihood based on frequency of respondents mentioning each of the barriers. The barriers ranges from insufficient political support to conflicts/wars, weak institutions, poor alignment with development priorities, short-term focus, non-inclusive approach, and poor resource mobilization, among others. In terms of the extent to which stakeholders believe these barriers would affect South-South and triangular cooperation for a new program of action for LLDCs, poor resource mobilization and predictability ranks first (72.2%) while poor human/technical resources and capacity as well as geopolitical factors and the interests of powerful nations are believed to be second major barriers by 58.3% of the stakeholders. These are closely followed by limited engagement of the private sector (55.6%), weak institutions unable to enforce contractual obligations (52.8%), poor alignment with development priorities, sector strategies and plans (52.8%), insufficient political support (50%) and conflicts/wars (50%). Other barriers have less than 50% and they include, planning and coordination do not consider the local context,

inadequate policy/legal/regulatory frameworks, short-term focus, poor communication and knowledge management, non-inclusive approach, poor cost-effectiveness, low ownership and local empowerment, lack of local engagement and advocacy, and lack of commitment and awareness at the local level. The foregoing provides valuable insights into the barriers that the new program of action might encounter. These findings should serve as a basis for devising means of preventing or tackling them before the new program of action is introduced.

**Table 7: Barriers/constraints to South-South and triangular cooperation**

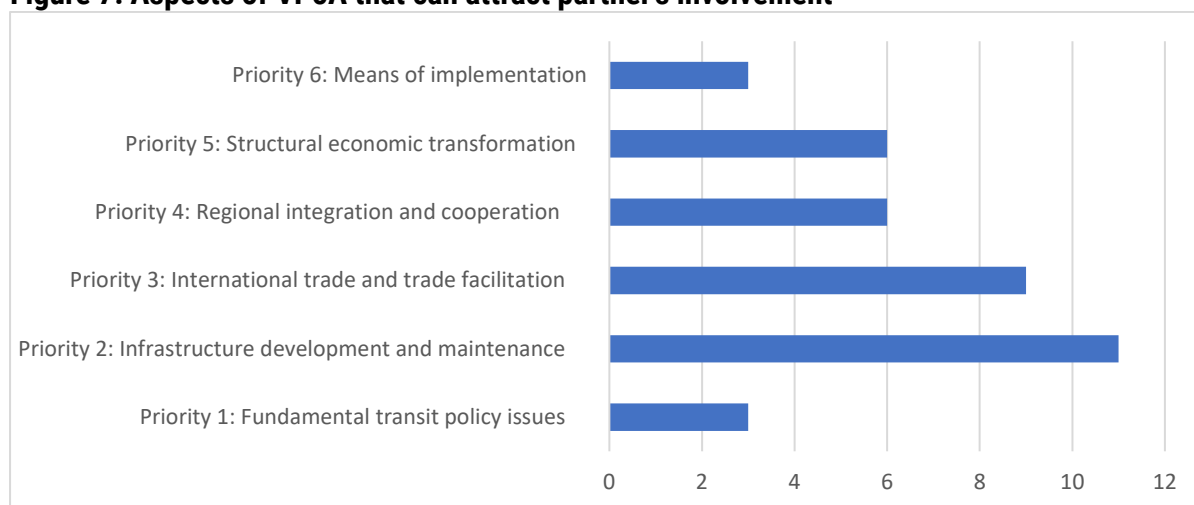
<b>Barriers /Constraints</b>	<b>Frequency (%)</b>
Insufficient political support	18 (50%)
Conflicts or wars	18 (50%)
Inadequate policy/legal/regulatory frameworks	13 (36.1%)
Weak institutions unable to enforce contractual obligations	19 (52.8%)
Planning and coordination do not consider the local context	14 (38.9%)
Poor alignment with development priorities, sector strategies and plans	19 (52.8%)
Short-term focus	12 (33.3%)
Non-inclusive approach	11 (30.6%)
Poor resource mobilization and predictability	26 (72.2%)
Poor cost-effectiveness	10 (27.8%)
Poor communication and knowledge management	12 (33.3%)
Poor human/technical resources and capacity	21 (58.3%)
Low ownership and local empowerment	10 (27.8%)
Lack of local engagement and advocacy	10 (27.8%)
Limited engagement of the private sector	20 (55.6%)
Geopolitical factors and the interests of powerful nations	21 (58.3%)
Lack of commitment and awareness at the local level	2 (5.6%)

**Source:** Survey 2023

#### **4.5. Aspects of the VPoA that can likely attract more involvement of partners in a new program of action**

With the new program of action set to be introduced, the survey identified the aspects of the VPoA that can attract more involvement of partners in a new program of action. This is crucial to provide insights into the aspects of the VPoA that are highly relevant for the new program of action. The summary of the responses is shown in Figure 7. Infrastructure development and maintenance emerges as the choicest aspect of the VPoA that can attract more involvement of partners in the new program of action. This could be attributed to the indispensability of infrastructure for linking LLDCs with transit countries and facilitating trade interactions with the rest of the world. Issues of international trade and trade facilitation are also highlighted as important for attracting partners' involvement in the new program of action. This is because they provide essential pathways to access global markets, foster economic growth and diversification as well as reduce the dependency on neighbouring transit countries. Regional integration and cooperation as well as structural economic transformation are also believed to be fundamental in attracting the involvement of partners as they feature prominently in major global and regional development initiatives. Fundamental transit policy issues and means of implementation appears to be the aspects of the VPoA with the least likelihood to attract partners' involvement in the new program of action. Overall, all the priorities of the current VPoA are crucial and should be integrated into the new program of action to consolidate the achievements of the VPoA.

**Figure 7: Aspects of VPoA that can attract partner's involvement**



Source: Survey 2023

#### **4.6. New/emerging opportunities that may encourage South-South and triangular cooperation in LLDCs**

The summary of the responses regarding the likely new/emerging opportunities that may encourage South-South and triangular cooperation for a new program of action for resilient and transformative development of LLDCs are presented in Table 8. The opportunities include improvement in digital connectivity, climate change and energy transition, international finance opportunities, application of new technologies, and geopolitical factors and the interests of powerful nations, among others. Improvement in digital connectivity has the highest frequency, making it the top new/emerging opportunity that can encourage South-South and triangular cooperation in LLDCs. This is linked to its ability to facilitate efficient and seamless communication, trade and knowledge exchange capable of fostering economic development and structural economic transformation in LLDCs. Climate change and energy transition also feature prominently as a new/emerging opportunity, ranking second on the list. This underscores the importance of climate change and energy transition in promoting sustainable development, resilient infrastructure and shared solutions to foster environmental sustainability without jeopardising structural transformation. Given the huge financial capabilities required to power resilient and sustainable development in LLDCs together with the relatively low capacities of LLDCs to solely shoulder this responsibility, exploring international finance opportunities becomes a viable option. This explains why it is identified as pivotal to encouraging South-South and triangular cooperation. Funds from external sources can augment domestic financial resources to adequately finance infrastructure development, trade facilitation and sustainable growth in LLDCs. Apart from improving digital connectivity, stakeholders also alluded to the importance of applying new technologies (such as artificial intelligence and robotics) in LLDCs to enhance the achievement of development initiatives in LLDCs. These modern technologies can enhance efficiency in various economic sectors and facilitate cross-border collaboration. They also offer the potential to overcome traditional limitations and empower LLDCs to participate more actively in the global economy while addressing common challenges through innovative solutions. Geopolitical factors and the interests of powerful nations, innovation, science and technology, education and skill development, trade and supply-chain issues, and sustainable debt are also considered important for encouraging South-South and triangular

cooperation in LLDCs. In general, it is imperative to explore and incorporate new opportunities in a new program of action to attract the interests of other developing (southern) countries and development partners from the Global North to collaborate in promoting regional integration and structural economic transformation in LLDCs.

**Table 8: Opportunities that may encourage South-South and triangular cooperation for a new program of action in LLDCs**

<b>New/emerging opportunities</b>	<b>Frequency (%)</b>
Improvement in digital connectivity	30 (83.3%)
Application of new technologies such as AI and robotics	21 (58.3%)
Climate change and energy transition concerns	27 (75%)
International finance opportunities	26 (72.2%)
Geopolitical factors and the interests of powerful nations	16 (44.4%)
Innovation, science and technology; education and skill development; trade and supply-chain issues; and sustainable debt	1 (2.8%)

**Source:** Survey 2023

#### **4.7. Suggestions for making the new program of action attractive for South-South cooperation**

Given the need for a new program of action as the VPoA ends in 2024, it becomes important to document what the components of the new program of action should be and how to make it attractive for South-South cooperation or support from Southern countries and their institutions. The suggestions of stakeholders in this regard are presented as follows:

- Better reflect perspectives from multiple stakeholders, including Southern partners and the private sector.
- Propose annual monitoring of the next program with the development of an annual implementation report in each country and the holding of annual review meetings in each country under the chairmanship of a minister. At the regional level, propose an annual review meeting with ministers to examine the recommendations and propose solutions for better implementation of the next program at the sub-regional level.
- Focus should be more on delivering results than making ambitious plans.
- Emphasize locally-led and people-centred sustainable assistance approaches for digital transformation of economies and societies centred around countries' needs and priorities.
- Policy reform acceleration to equip countries with legal and policy frameworks as well as science, technology and innovation to accelerate the achievement of SDGs.
- Build local human and institutional capacities in key transversal areas such as governance (national and local) and law enforcement, innovation and entrepreneurship.
- Strengthen institutions for leadership and implementation of South-South cooperation.
- Clarify the capabilities that Southern countries could bring to the program and also match them with the needs of each LLDC.
- Positioning the program as a product of South-South collaboration is essential, underscoring the leadership and ownership of nations from the South. This will not only add authenticity but also emphasizes the cooperative nature of the new program of action.
- Design the program to align closely with the common development goals and priorities of Southern countries. This includes focusing on areas like sustainable industrial



development, environmental management, and economic diversification, which resonate with the shared challenges and aspirations of these countries.

- Highlight the mutual benefits of participation, emphasizing how collaboration can lead to shared growth, increased trade opportunities, and enhanced regional integration.
- Ensure the program is flexible enough to accommodate the diverse economic, cultural, and political contexts of Southern countries. Tailoring approaches to fit the specific needs and circumstances of each country can increase attractiveness and relevance.
- Include components that facilitate technology transfer and collaborative innovation, particularly in areas relevant to industrial development and sustainability.
- Focus on robust capacity-building initiatives and knowledge exchange platforms.
- Encourage regional and cross-regional partnerships that can lead to larger collaborative projects, increased resource pooling, and a wider exchange of expertise. This can enhance the scope and impact of the program.
- Consider incorporating financial incentives, such as grants, low-interest loans, or funding for specific projects.
- Highlight the potential for knowledge sharing; skills transfer and mutual learning opportunities; and technology transfer, and trade partnerships.
- Emphasize inclusive participation; leverage shared experiences; foster cultural understanding; showcase the potential for joint capacity building; encourage open dialogue; adopt flexible frameworks; utilize more international think-tanks for LLDCs; and adopt collaborative problem-solving to build trust and promote sustainable development impacts within the Southern cooperation network.
- Focus on the various dimensions of development that are indispensable for resilient and transformative development.
- Ensure inclusiveness in the formulation of LLDCs' needs and priorities through whole of the society and whole of the government approaches, going beyond the perspective of national authorities.
- Be climate change sensitive and integrate the new program of action in the national policies and strategies of LLDCs.
- Active engagement of a wide range of national actors, including CSOs, sub-national authorities and private sector, in the definition of needs and expected outcomes; mobilization of technical and financial resources from peer countries; long-term approach to programming and partnership mobilization.
- Lead countries to take ownership of the new program of action; provide technical and financial support to states in implementing the program; engage in advocacy with countries based on the priorities of the program of action; encourage countries to be more united.
- Focus on sectors with high growth and poverty-reducing potential (agriculture and agri-food industry); initiate large-scale interstate projects on themes linked to strengthening sub-regional trade; strengthen the development of skills in the digital field and issues linked to climate change; and strengthen the free movement of people and goods between southern countries.
- Ensure better coordination of interventions and improve communication between regional integration and cooperation organizations; promote and respect concerted measures to facilitate trade and payments; and ensure respect for the community principles of freedom of movement of goods, people and capital, and the right of establishment at the sub-regional level.

- Strengthen communication and the technical capacities of stakeholders to mobilize sufficient resources.

#### **4.8. Suggestions for making a new program of action attractive for triangular cooperation or support from development partners from the North and their institutions**

To enhance the appeal of a new program for triangular cooperation or support from development partners in the North and their institutions, several key strategies can be employed. In the respect, the following suggestions were made by the survey respondents:

- Align the new program of action with the Sustainable Development Goals (SDGs), explicitly showcasing its contributions to targets related to poverty reduction, gender equality, climate change, and sustainable development.
- Emphasis should be placed on innovation and knowledge sharing within the program. Highlighting its potential to generate inventive solutions and facilitate knowledge exchange among participating countries can significantly enhance its attractiveness.
- Articulation of mutual benefits and the promotion of equitable partnerships. Clearly stating the advantages that each partner stands to gain and emphasizing shared responsibility fosters a collaborative and sustainable approach.
- To instil confidence, providing evidence of robust institutional capacity and a successful track record in implementing similar programs is crucial. In addition, outlining a comprehensive monitoring and evaluation framework will enhance transparency, ensure progress tracking, impact measurement, and accountability.
- Early and active engagement with Northern development partners during the program's design phase will be very helpful for fostering triangular cooperation. This involvement ensures alignment with Northern partners' priorities and interests, contributing to a more synchronized and harmonious collaboration.
- Tailoring communication and outreach materials to effectively engage with Northern audiences is another important consideration. Adapting messaging to highlight aspects relevant to their interests and expertise helps in conveying the program's value more effectively.
- Emphasizing the potential for knowledge transfer and capacity building is a key selling point. Highlighting how the program can facilitate the exchange of knowledge, expertise, and best practices from the North to countries in the South will potentially contribute significantly to capacity building and sustainable development.
- Showcasing the new program's ability to attract additional resources from various sources, including the private sector, civil society, and other development partners, is very crucial. This not only demonstrates financial viability but also enhances the program's overall appeal.

