



# Accelerating Sustainable Development

South-South and Triangular Cooperation to Achieve the SDGs

**A UNDP Strategy**

**Working Document**  
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## 1 Introduction

This strategy aims at a re-think of UNDP's approach to South-South and triangular cooperation (SSC and TrC) as development accelerators and multipliers. Its preparation has been driven by two key developments: first, the commitments made in the **UNDP Strategic Plan (SP, 2014-17)** to employ SSC and TrC to help achieve development results that benefit programme countries; and, second, the **Management Response to the Evaluation of UNDP's Contribution to South-South and Triangular Cooperation** that commits to the preparation of a corporate strategy. These developments have taken place against the backdrop of a radical transformation in the scope, scale and effects of cooperation between developing countries over the course of the past two decades, calling for a creative and considered response from the multilateral development system. As the leading development agency in the UN system, this is a demand that UNDP both understands and embraces wholeheartedly.

This strategy also takes into account normative considerations that have shaped cooperation among developing countries even as this has become more complex and nuanced over time. It will be a living document that will be adjusted based on learning-by-doing and feedback received from partners. The strategy offers a snapshot of the state of play in UNDP's engagement with SSC and TrC; proposes a substantially overhauled value proposition for UNDP's future work on SSC and TrC; outlines a transformative partnership model that can deliver on this value proposition; and indicates a way forward to implementation within the current Plan period and into the next. Last but not least, **the strategy takes an important step forward in clarifying and deepening the organisation's relationship with the UN Office for South-South Cooperation (UNOSSC), within the framework of current legislation and in accordance with UNDP's role as its institutional host.**

### Box 1: Working Definitions

Working definitions for SSC and TrC were developed and endorsed by the 17th High Level Committee on South-South Cooperation in 2012 in order to facilitate the work of the UN System. There are other definitions in use as well, by countries and international institutions.

#### South-South Cooperation (SSC)<sup>1</sup>

The Framework of Operational Guidelines on United Nations Support to South-South and Triangular Cooperation defines **South-South Cooperation** to be 'a process whereby two or more developing countries pursue their individual and/or shared national capacity development objectives through exchanges of knowledge, skills, resources and technical knowhow, and through regional and interregional collective actions, including partnerships involving Governments, regional organisations, civil society, academia and the private sector, for their individual and/or mutual benefit within and across regions. South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation.' This definition is based on the Nairobi Outcome Document, negotiated at the UN High-Level Conference on South-South Cooperation and adopted by the UN General Assembly in December 2009.

#### Triangular Cooperation (TrC)<sup>2</sup>

**Triangular cooperation** involves Southern-driven partnerships between two or more developing countries, supported by a developed country(ies) or multilateral organisation(s), to implement development cooperation programmes and projects.'

<sup>1</sup> United Nations, 'Framework of Operational Guidelines on United Nations Support to South-South and Triangular Cooperation,' High-level Committee on South-South Cooperation, New York, 2012 ([SSC/17/3](#)). South-South Cooperation is also understood as East-East Cooperation in the Europe and CIS region.

<sup>2</sup> Ibid.

## 2 The Development Backdrop

**One of the major trends over the past two decades has been the transformation of growth and development performance and prospects in many parts of the world.** Increases in economic output, major improvements in key human development indicators as well as the rapid expansion of trade, investment, financial, technological and other flows between developing countries have been remarkable. The development horizon facing an agency such as UNDP today is, thus, substantially altered from the one it would have dealt with in the 1980s or even as late as the early-2000s. The evolution of this phenomenon has been documented comprehensively in UNDP's Human Development Report 2013 '[The Rise of the South: Human Progress in a Diverse World](#)'.

Where will SSC and TrC fit within this setting? A sensible conclusion to draw under these circumstances is that SSC and TrC will not suddenly overwhelm North-South cooperation nor will many developing countries – still poor relative to developed economies – necessarily see themselves, for a variety of reasons, as major providers of traditional development assistance. Nevertheless, even though the increasing importance of SSC and TrC does not replace traditional forms of cooperation including official development assistance (ODA) and long-standing commitments in this regard, they can be an **effective complement, capable of spurring transformational change and contributing to the achievement of the 2030 Sustainable Development Agenda.**

Driven by solidarity and based on principles of mutual benefit, sovereignty, ownership, equality, non-conditionality and non-interference, SSC in particular is different from traditional development assistance and, thus, has its own role as a cooperation modality. With this view in mind, the Outcome Document of the [Third International Conference on Financing for Development](#) (FfD, 2015) encouraged '.....developing countries to voluntarily step up their efforts to strengthen South-South cooperation, and to further improve its development effectiveness in accordance with the provisions of the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation....' (para 57), in the context of poverty eradication and sustainable development. The Outcome Document also committed countries to '.....strengthening triangular cooperation as a means of bringing relevant experience and expertise to bear in development cooperation,' (para 57).

Tapping into the potential of SSC and TrC, however, requires a better understanding of their enhanced relevance for global development in the future. This should be the starting point for a response from UNDP.

## 3 The Transformational Potential of SSC and TrC

### A. The Potential

There is a set of mutually reinforcing reasons why SSC and TrC can play a pivotal role in transforming development prospects, as a complement to traditional ODA.

- Changing sources and scale of development knowledge and practice: There is now more than 60 years of experimentation and experience accumulated in developing regions. An enormous wealth of knowledge has been gained and data built up on a wide variety of models, policies, political and institutional arrangements and technologies, many designed and sustained indigenously, heterodox in character and tailored specifically to the circumstances of a very diverse set of countries. The point here is not the obvious one of more knowledge being available but the fact that:

- (a) the availability and, increasingly, the replenishment of the stock of knowledge is expanding rapidly in developing countries themselves;
  - (b) the flow of knowledge, expertise, products, services and finance is now multi-directional, well beyond simple 'transfers' between North and South; and
  - (c) the knowledge base has passed a certain threshold, becoming sufficiently deep and broad to represent a powerful variable on its own – if not strictly speaking a 'public good', then certainly of great public benefit.
- The determinants of growth and development: Among developing economies, 13 have experienced at least 7 percent average annual gross domestic product (GDP) growth over four consecutive decades, with their income per capita doubling every 10 years or faster (Botswana, Brazil, China, Hong Kong SAR of China, Indonesia, Japan, Republic of Korea, Malaysia, Malta, Oman, Singapore, Taiwan Province of China, and Thailand)<sup>3</sup>. While diverse in many ways, what is common to all of these economies is their investment in knowledge-based growth that continuously improved competitiveness and economic performance, including in global markets. Progress in other parts of the South and specifically in Sub-Saharan Africa and South Asia has generally lagged in relative terms. Indeed, even at an annual average GDP growth rate of 7 percent, it would take least developed countries (LDCs) 50 years to reach the level of developed economies.<sup>4</sup>

Maintaining such an ambitious pace of growth would require a series of mutually reinforcing steps such as national commitment to further reforms, expanded international cooperation and positive global market conditions. An even higher rate of growth would be required to raise incomes and reduce relative poverty if inequalities continue to worsen. It is in this context that recent research by Stiglitz and Greenwald<sup>5</sup> reveals that **enabling access to knowledge and advanced technologies as well as boosting national capacities through continuous learning are the most effective interventions for improving productivity and resilience**. Their research shows that, for countries to increase and maintain high growth rates for decades, efficient capital and labour allocation and increasing savings rates are not enough: they should also be accompanied by sustained investments in learning and local content development. Expanding countries' knowledge base, institutional capacities and human capital in key sectors yields spill-over effects that enhance societal development potential. In other words, **'...for an emerging market, access to knowledge is essential for its future growth.'**<sup>6</sup>

- New economies of scale: Globalisation of economies has also globalised opportunities, risks and structural problems, confronting countries with similar challenges. This has, in turn, made locally developed and tested solutions relevant to more than just one place and context. In other words, **the 'laboratory of development' accessible to any country or institution at present is much larger than what it could have fostered on its own**. This has always been true but the potential has been altered dramatically by accelerated flows of ideas, technology, people, finance, goods and services, both generally but also within the South. This means that **as more and more developing countries successfully test and find solutions, they substantially and progressively lower the marginal cost to other developing countries of trying the same options. Furthermore, this potential is less likely than before to remain latent:** more active interchange among

<sup>3</sup> Michael Spence, *The Next Convergence: The Future of Growth in a Multispeed World*, 2012.

<sup>4</sup> At 7% growth rate per year, all other parameters unchanged, the income per capita doubles in 10 years (Rule of 72).

<sup>5</sup> Greenwald, Bruce and J.E. Stiglitz, 'Creating a Learning Society: A New Approach to Growth, Learning, and Social Progress,' 2014.

<sup>6</sup> Ibid, p.455.

developing countries increases the probabilities of successful diffusion. All other things being equal, this means higher returns are not only feasible but realisable from every dollar of additional investment through SSC and TrC - and much more so than in the past.

This phenomenon occurs because of a set of connected economies achieved through learning and cooperation:

- (a) 'savings' in direct and indirect (e.g. time) costs from adapting rather than having to invent from scratch;
- (b) greater probability of success by accessing solutions that have proven themselves in similar contexts;
- (c) increased likelihood of cost-effectiveness and sustainability due to solutions that are optimised to succeed in resource and capacity constrained environments;
- (d) improved efficiencies as well as gains in productivity and output made possible by the introduction of new products and services as well as the creation of new or bigger markets; and,
- (e) finally, improved 'risk-proofing' from being designed to withstand implementation in settings that confront both domestic and foreign investors with substantially higher levels of risk and uncertainty, whether in frontier or emerging markets.

The points mentioned above have major implications for the implementation of the Sustainable Development Goals (SDGs). A set of goals and targets that are as integrated, comprehensive and complex as this requires a fundamentally different response at country, regional and global levels. It would be wasteful, inefficient and impractical – in fact, close to impossible - to try to achieve the SDGs in the next 15 years by pursuing policies and investments on a Goal-by-Goal basis, something that was feasible with the Millennium Development Goals (MDGs).

**The key to success in the future will be to find solutions that possess three major characteristics: first, 'integration effects' realised by connecting work on closely related issues, in other words, investments that yield greater returns when they are planned, sequenced and delivered *together* rather than separately; second, 'multiplier effects', where investment in one area generates positive externalities across a wide range of other areas; and, third, 'acceleration effects', where time lags between investment and desired development outcomes and impact are compressed as much as possible by tackling structural constraints such as inequality in order to maximise what can be achieved in less than a generation.**

**SSC and TrC can tap effectively into all three of these 'effects'. These modalities of cooperation have the ability – when seen as a significant complementary element within a broader package embracing ODA, domestic public and private investment, foreign direct investment (FDI) and remittances – of transforming the ability of developing countries to achieve the SDGs. They can also help achieve related goals, for example, the ambition of LDCs to achieve middle income status within the next 10-15 years or less.**

This potential, however, will not be realised automatically. The best way of identifying how it can be unlocked is by applying the analogy of a global 'marketplace' to SSC and TrC where participants:

- come together voluntarily based on their interests and priorities;
- abide by jointly agreed principles;
- supply and demand solutions based on tested ideas and proven knowledge, technology and expertise;

- have an implicit or, more often, explicit sense of their cost of providing solutions and willingness to pay for them (from 'free' to being fully costed and paid for);
- try to secure mutually beneficial agreements; and,
- finally, seek out the best ways of financing and executing these agreements, either managing implementation between the parties involved and/or requesting third parties to step in.

Such an analytical perspective not only captures reality reasonably accurately but also yields useful insights into what it will take to make such a global 'marketplace' work better.

## B. The Bottlenecks

**UNDP's analysis and experience point to five major and inter-connected bottlenecks affecting SSC and TrC at present: complexity, asymmetry, externalities, scale and sustainability.**

- Heterogeneity and complexity: To begin with, there are **critical gaps in our understanding and knowledge of SSC, in particular**. This arises because:
  - (a) there are many different kinds of relationships and transactions that are happening under the broad umbrella of SSC that may not be fully acknowledged or understood;
  - (b) information on trends, patterns and levels of cooperation is patchy or incomplete, disorganised, non-comparable and not easily available or accessible; and
  - (c) clear evaluative bases, tailored to the principles of SSC, are yet to be prepared by developing countries themselves for their own use to assess performance and identify strengths, weaknesses and opportunities.

Overall, the quality and availability of information on the scale and impact of South-South cooperation have not kept pace with growing demand among Southern partners for peer learning to further improve results. Current analytical frameworks, which draw on those used for traditional development cooperation, are also considered inadequate for SSC, given its principles and modalities.<sup>7</sup>

Scale and complexity also make it **exceptionally difficult for any single entity or even group of entities to capture, access and, importantly, make sense of information and knowledge about what is going on** and how best to make use of it. This can only happen successfully by enabling institutions and experts across the South and North to voluntarily share the information and knowledge to which they have access, something that is currently occurring to an insufficient degree. In addition, both experts and practitioners from the South lack adequate 'voice' when Member States deliberate on SSC and TrC, depriving inter-governmental processes of fuller access to valuable knowledge, experience and perspectives. A final compounding factor is the **absence or limited nature of global fora for dialogue, experience exchange and, perhaps, decision-making among developing countries themselves and their partners**, places where they can come together to assess how SSC and TrC are progressing and can be strengthened further in the future.

- Asymmetry: **Countries and non-state actors have an asymmetric ability to manage and participate** in SSC and TrC mostly because of two critical considerations: first, insufficient recognition of SSC and TrC as a major public policy issue requiring a systematic and results-driven approach; and, second, capacities to share, access, plan, coordinate and monitor which tend to be variable or, sometimes, non-existent across participants, including access to a pool of national experts who can help initiate and sustain partnerships. As a result, there may be many more

<sup>7</sup> Ibid, 2014

partners at present who want to engage in SSC but cannot do so because of still unresolved constraints. **Engagement is deterred, in addition, by unfamiliarity with the many channels and modalities of SSC** and the norms, standards and rules that come with them. This can create considerable complexity, raise costs and, thus, heighten barriers to cooperation by requiring greater capacity than many countries possess at present.

- Externalities: Due partly to complexity, data shortfalls and the relatively recent surge in the volume and coverage of SSC and TrC, **there is only a partial understanding of the externalities generated by these modalities of cooperation.** As a result, participants in the global ‘marketplace’ are not able to take them fully into account when they offer and seek out solutions. For instance, there are positive externalities that may arise from the adoption of particular policy or technological options that are important to understand and factor into the decision-making process such as the introduction of electronic social security payments that triggers the development of a local mobile banking and IT services sector. There may also be some negative externalities that need to be better understood, for example, from the selection of an inappropriate land management technique that actually worsens rather than improves sustainability and social impacts. As both development theory and evidence show, these externalities can have quite large effects on costs and benefits and need to be factored into public policy and cooperation programmes.
- Sub-optimal scale: Despite an often high level of interest and commitment to cooperation, **policies, regulations and procedures across developing countries may be having the unintended effect of making it harder** for them to benefit from each other’s knowledge, products and services, perhaps because of varying technical standards, different procurement rules or diverging trade or exchange rate provisions. Policy incoherence, together with a lack of institutional capacities for cooperation, can create ‘thick borders’ between countries and hinder the expansion of SSC and TrC. This constrains the range and value of development benefits that can be realised through these modalities.
- Sustainability: There is growing anecdotal evidence from developing countries themselves that point to **demand for improved sustainability of SSC.** This does not suggest problems intrinsic to this modality of cooperation but, rather, possible shortfalls in design, delivery, management and monitoring and evaluation (M&E). Some promising SSC initiatives, for example, are constrained by financing and, as a result, lack follow-up. Others may be undertaken in an ad-hoc manner or on a narrowly-based partnership, and fail to achieve impact at scale. The developmental value of SSC and TrC - their ability to secure and help sustain a flow of benefits over time - will require greater attention to these issues and stronger mitigation measures.

## 4

### The Current State of Play in UNDP

There are five main sources of data and lessons learnt on UNDP’s work to date: the [Evaluation of UNDP’s contribution to South-South and Triangular Cooperation 2008-2011](#) (2013); the expert consultation held during the preparation of the Strategic Plan (2013); two programme mapping analyses (2014 and 2015); e-discussions among UNDP staff and knowledge networks (2014); and informal, mostly bilateral, technical brainstorming with Member States which began in early-2015 and will continue into the implementation stage of this strategy.

The evidence points to **five key strengths**: facilitating impartial spaces for consensus-building; offering a ‘force multiplier’ for the UN; extensive field-based presence and capacity; long-term engagement and capacity development approaches; and comprehensive corporate systems of accountability.



There are also **five main areas for improvement**: the programmatic application of SSC involves abundant initiatives but lacks systematic approaches to fully serve UNDP's strategic roles; support to policy frameworks and institutional capacities have yet to reach adequate scale; there is demand for approaches tailored to different typologies of countries calling for greater differentiation in approach; there is substantial untapped potential to increase regional integration efforts as well as sub-regional and neighbourhood initiatives; and partnerships in support of SSC and TrC are primarily with governments, and have yet to leverage support from the private sector, civil society and other non-state actors.

Some examples of the work of UNDP are presented in Box 2 below and additional analysis is provided in the Annex.

#### **Box 2: Recent Examples of UNDP Support to SSC and TrC**

In 2014, UNDP reported 469 projects across 133 countries that mainstreamed South-South and triangular cooperation. **UNDP's role focused mainly on knowledge brokering.** For example, UNDP supported Indonesia to share its good practices with the Philippines to help with recovery efforts from Typhoon Haiyan. In Jamaica, UNDP facilitated the knowledge transfer of Cuba's Risk Reduction Management Centre model. Furthermore, UNDP supported establishment of Centres of Excellence in developing countries on various subjects central to sustainable development, including the International Policy Centre on Inclusive Growth and the World Centre for Sustainable Development in Brazil, the Global Centre for Public Service Excellence in Singapore, and the Istanbul International Centre for Private Sector in Development. In 2013, UNDP and the Government of Kazakhstan launched the Regional Hub of Civil Service in Astana to share knowledge about effective civil service systems, uniting efforts to reform and strengthen civil services in the region and beyond, involving over 30 countries and five international bodies. UNDP in collaboration with the Government of Aruba launched the Centre of Excellence in Sustainable Development for Small Island Developing States (SIDS). The Centre aims to strengthen innovation and resilience in SIDS and facilitate SSC on issues such as renewable energy, climate resilience, water, tourism, environment and public health.

Beyond knowledge sharing, **UNDP also facilitated important partnerships.** During the Ebola crisis, UNDP partnered with the Government of South Africa in deploying autoclaves in Ebola affected countries (Guinea, Liberia and Sierra Leone) to safely dispose of medical waste. In Armenia, UNDP initiated and supported cooperation between Armenia and Kyrgyzstan in jointly developing a Disaster Risk Reduction (DRR) strategy and a legislative framework for DRR. UNDP is helping Brazil to roll out the second phase of the Cotton 4 Project initiative to Burundi, Kenya, Malawi, Mozambique, Tanzania and Uganda. UNDP also works with Brazil and Cuba to support restructuring of the Haitian health system. Additionally, utilising triangular cooperation, UNDP has worked with the Governments of China and Denmark to support energy-related activities in Ghana and Zambia. UNDP also collaborates with the Republic of Korea (ROK) to scale-up elements of its rural development model (Saemaul Undong) through SSC to Bolivia, Lao PDR, Myanmar, Rwanda, Uganda and Vietnam. With UNDP's support, 199 experienced public servants from Ethiopia, Kenya and Uganda have been deployed to 22 key Government ministries and commissions in South Sudan for two-year terms to ensure the direct transfer of skills and on-the-job mentoring of peers.

**Capacity building was another active role that UNDP played,** for example, UNDP has assisted Mexico's Agency for International Development Cooperation (AMEXCID) and the Turkish International Cooperation and Development Agency (TIKA) in consolidating experiences and strengthening institutional capacities as SSC providers. UNDP supported Indonesia to establish its national coordination mechanism for SSC. In Iraq, UNDP supported the government in establishing a South-South cooperation unit in the Prime Minister's Advisory Commission (PMAC).



Consistent with the vision and engagement principles of the Strategic Plan, and taking into account the concepts, data and analysis presented in sections 2-4, **UNDP's strategic goal is to help harness the full potential of SSC and TrC to implement the 2030 Agenda and achieve the SDGs.**

**UNDP intends to be bold but pragmatic in its future approach**, acknowledging that tinkering at the margin is not an option anymore. **UNDP also appreciates that SSC and TrC are important elements of the foreign and/or cooperation policies of a significant number of countries.** As a result, *how* countries engage with the organisation across the gamut of its work on SSC and TrC will be determined by national governments in accordance with their policies. In keeping with this understanding, the strategy does not promote any single template or model of partnership.

**The value proposition also recognises explicitly that a core element of UNDP's strength lies in its hosting of and relationship with UNOSSC.** This is an integral part of the strategy based on the understanding that an approach that emphasises collaboration based on complementary strengths is not only necessary but also essential for success. The further deepening and strengthening of this relationship is discussed in the next section.

Taking these considerations into account, UNDP's **value proposition** is as follows:

The rich experience gathered by developing countries, especially over the past few decades, and the growth of SSC and TrC, have converged to create a historic opportunity to accelerate efforts to eradicate poverty and pursue sustainable development just as an ambitious new global development agenda comes on stream. Success in tapping this opportunity will not be automatic. It will demand innovative solutions, breakthroughs and systematic learning to achieve rapid and sustained progress. It will also require the active involvement of institutions with global reach and operations. Those best positioned will need to combine deep knowledge of local experiences, relationships and institutions with the ability to bring promising ideas, solutions and achievements to a larger audience and, where there is mutual interest, help reach agreement, take practical action and evaluate results. These requirements are **a good fit with the institutional profile of UNDP.**

One of the keys to unlocking the full potential of SSC and TrC will be through **deepening, broadening and growing the global 'marketplace' of knowledge, ideas, expertise, products, services, participants and resources, to secure greater development benefits than possible today.** One major way in which UNDP plans to contribute in this regard is through the establishment of a **'global development solutions exchange'**. UNDP will deploy its core assets to this end: its UN coordination role, impartiality, relationships of trust, global reach and expertise in specific areas. It will operate on the basis of the engagement principles of the Strategic Plan as well as the principles upon which SSC is founded, which either overlap or are complementary.

The **'global development solutions exchange'** will focus on boosting cooperation on a number of issues connected to the 2030 Agenda and the SDGs that are of greatest potential and demand across the South. It will be about maximising development impact not private profit. Furthermore, the intent is that the **'exchange'** should complement rather than substitute for existing national, regional or global arrangements. From the standpoint of UNDP, it would fill a gap or unmet need for institutional spaces that are more transparent, easier to access, navigate and use, more predictable for a wider range of participants, with stronger built-in safeguards, and a capacity for implementation of cooperation agreements or partnerships almost anywhere, anytime. The **'exchange'** would provide potential participants with another option, *to use or not as they see fit,*

based on their assessment of the value added offered by the underlying operational concept as well as the principles, thematic expertise and operational strengths of UNDP and the UN Development System (UNDS).

The exchange would, in its conception, take a fundamentally different approach in comparison to existing cooperation ‘platforms’, whether on SSC and TrC or other issues. It would do so by offering access to the full range of enablers – whether on or offline - that can help get things done in the most open, efficient and transparent way possible, thus, overcoming well-known bottlenecks and attracting participation by those who might have had limited involvement to date or none at all. The ‘exchange’ would emphasise the facilitating rather than intermediary role of UNDP and the UNDS in fostering an institutional space and operational arrangement that participants can tap *if they wish to do so*.

In line with its concept, the ‘exchange’ would utilise UNDP’s and, potentially, the UNDS’ capabilities at country, regional and global levels to:

- provide a place for participants to network with each other, both on and offline, bringing solutions proactively to the attention of others or requesting solutions, thus, expanding and cultivating a global network of relationships;
- help countries and others to raise awareness of and draw attention to knowledge and proven technologies that they possess which can be of interest to a broader audience;
- host a range of services such as functional and thematic advisory expertise, financing and in-kind support, ‘brokering’ of solutions and implementation capacities;
- offer access to a global and up-to-date knowledge bank on technical and thematic issues as well as cooperation modalities covered by the exchange;
- help participants identify and/or agree upon legal, reporting and appraisal frameworks based on the principles of SSC with access to data that allows independent experts and institutions to assess efficiency, impact and sustainability; and
- utilise a software platform that allows developers anywhere to come up with innovative applications that can improve functionalities and reduce costs.

This support will enable participants to articulate needs, request or offer development solutions, build partnerships, access all the tools needed to secure practical agreements, find ways of successfully executing such agreements, and report on and assess results in a comparable, open and rigorous manner so as to foster experience-sharing and mutual learning.

The ‘exchange’ will be open to governments, public entities, the private sector, civil society, the UNDS as well as other bilateral and multilateral development institutions. It will **apply the principle of ‘open sourcing’ to development, actively encouraging a broad range of participants from the South and North to contribute, own and drive cooperation**. UNDP, however, recognises that each Member State will decide if it wants to participate in the ‘exchange’. In this regard, the ‘exchange’ does not impact on the ability of a Member State to set out its own policies on SSC and TrC to guide the participation of public and/or private entities within its legal jurisdiction. With regard to the private sector and civil society, UNDP will, on its part, uphold existing institutional standards and safeguards that are designed to ensure transparency, accountability and integrity.

This approach represents an important innovation for UNDP and, indeed, the larger UNDS. The exchange would be set up jointly with a coalition of state and non-state founding members as well as UN agencies, facilitated by UNDP working closely with UNOSSC, rather than as a UNDP-only undertaking, thus, embedding the ethos of partnership from the start. While UNDP would be part of the management arrangements for the exchange, it would ‘firewall’ this function from its activities

as a participant to avoid any conflicts of interest. In addition, the exchange would allow clear entry and exit driven by performance criteria, be impartial and open in its operations, and be accessible to all who are both interested and meet threshold safeguards.

In accordance with its facilitating function, the exchange would not be dependent *solely* on UNDP or even the UNDS. **There will be no default requirement or expectation that the services of either UNDP or the UNDS have to be used. They will be available and on offer but will need to demonstrate their value added in comparison to other possible sources of support.** What this would do is provide countries and other participants with a credible assurance of quality, results, integrity in management, cost reduction and sustainability than currently available from almost any other 'platform'.

The exchange would help state and non-state actors to maximise mutual benefit at a competitive cost to gain development benefits that would otherwise not be accessible to them. UNDP would, in this manner, be expanding the 'public benefit' of the global knowledge base and pool of expertise. It would also help the international community to optimise the use of scarce resources by avoiding the substantial investment required to create a similar arrangement from scratch, whether funded by an individual country or group of countries or, indeed, through new inter-governmental mechanisms.

The **successful operation of the 'exchange' – and the broader growth of SSC and TrC - however, will demand parallel efforts to improve the larger enabling environment or 'ecosystem' at global, regional and country levels.** This is the other major way in which UNDP proposes to contribute to sustainable development by tapping the potential of SSC and TrC.

- ➔ First, by contributing to a more evidence-based and action-oriented **dialogue** among Member States on the strengths, weaknesses and potential of SSC and TrC in the various fora that are already available within the UN: the High Level Committee (HLC), ECOSOC and General Assembly (GA). This will be based on the expressed demand of and at the request of Member States. A complement to this would be **UNDS-wide coordination** of and support to SSC and TrC, especially in light of the 2030 Agenda and the SDGs. With regard to both aspects, UNDP would actively support UNOSSC to play its role, in line with legislation and institutional mandates and roles.
- ➔ Second, by actively utilising country, regional and global programmes, as well as joint programming with UN agencies and entities, to address four major priorities, when requested to do so by national or regional authorities:
  - (a) **Strengthened national and regional capacities** to articulate, implement and assess plans, policies and programmes designed to expand the use of SSC and TrC for development. This will help ensure that the latter are treated as a major public policy issue as well as integrated in national development and cooperation plans and programmes, backed by a growing pool of experienced national cooperation experts, monitored using stronger systems, and shaped by opportunities, needs and capabilities across state and non-state entities.
  - (b) **Access to policy advisory services that can help tackle country and regional level constraints** that are impeding greater and more effective flows of SSC and TrC, especially ways of optimising institutional arrangements and options for policy, legal and regulatory reforms that can facilitate mutually beneficial cooperation among developing countries.
  - (c) **Development of multi-country/neighbourhood/inter-regional partnerships** to achieve specific, high-priority development results, for instance, those that require cross-boundary solutions.
  - (d) **Access to facilitation services that can help countries and other participants to tap fully into the 'global development solutions exchange'**, for instance, by articulating demand for solutions and/or making available effective and replicable local solutions; connecting existing national platforms and networks with the 'exchange'; training nationals to manage cooperation

agreements/projects; and using UNDP Country Office (CO)-specific and UNDP regional hub capacities and CO-to-CO networks and relationships to navigate possible options for cooperation, share information, engage potential partners, reach agreement, find relevant expertise, handle technical details (e.g. prepare draft proposals or reports) and work out implementation arrangements.

## 6

### UNDP and UNOSSC Working and Growing Together

The 2014 Report of the Secretary-General restates the role of UNDP within the UNDS on matters related to SSC and TrC. It also sets out ways of strengthening UNOSSC and UNDG-wide efforts to promote and use SSC and TrC.<sup>8</sup> As stated earlier, the value proposition in this strategy recognises UNDP's hosting of and relationship with UNOSSC as a major asset and a key factor in successful implementation. This is based on a set of closely connected working assumptions, consistent with legislation and discussions with UNOSSC, which provides a solid and transparent basis for mutually beneficial collaboration in the future:

- **Both UNDP and UNOSSC gain from being institutionally connected with each other. What they can accomplish *together* on SSC and TrC could not be replicated through almost any other institutional arrangement within or outside the UNDS except at great cost, considerable delay and at the risk of attempting solutions with unproven effectiveness.** There are tangible and intangible benefits that each realises from working closely with the other. This strategy acknowledges and addresses this reality.
- **There are clear, mandated, functions and comparative strengths that provide a practical guide to realising the benefits of collaboration between UNDP and UNOSSC.** As pointed out by the SSC evaluation in 2013, UNDP's country presence and operational capacity are the main enablers of its contribution to SSC and TrC. To this can be added its coordination of the UNDS in the field. The Strategic Plan explicitly reaffirmed this view, with the support of the Executive Board.

**But the operational role on its own is not enough. It both gains from and should contribute to the global convener role played by UNOSSC** which enables various UN legislative bodies to make informed decisions on SSC. The same holds for system-wide coordination by UNOSSC to accelerate, expand and deepen support from the UNDS for SSC and TrC. This links directly with the 2014 Report of the Secretary-General (Document [SSC/18/3](#)) and related General Assembly resolutions that call upon the UNDG to continue to utilise the different coordination mechanisms of the Group and to encourage organisations of the UNDS to strengthen their dedicated mechanisms to initiate, promote, coordinate, report and evaluate their support to SSC. To this end, an inter-agency Task Team on SSC and TrC has been established under the UNDG Sustainable Development Working Group. At the global policy and programmatic support levels, UNOSSC will play its role under the guidance of UNDG's SDGs Working Group, through the Task Team established for this purpose.

Whether improving operational work in the field or advancing global dialogue and action on SSC and TrC, UNDP and UNOSSC gain enormously from tapping into each other's role and capabilities and working closely with each other. For example, at the regional level, UNDP can lead efforts to further integrate UNOSSC into regional UNDG mechanisms. Similarly at the country level, the UN

<sup>8</sup> United Nations, 'Report of the Secretary-General- Measures to further strengthen the United Nations Office for South-South Cooperation', ([SSC/18/3](#)), 19-22 May 2014.

Resident Coordinator and UNDP Resident Representative can be supported by thematic groups or other inter-agency mechanisms to systematically focus on SSC and TrC in advocacy and programming.

- **There is much more potential in symbiotic rather than separate growth.** Both UNDP and UNOSSC need strengthening but a capacity-building approach that operates in the absence of a clear strategy is unlikely to yield the best returns. This strategy offers a path that focuses action where it is most needed to benefit the functions and activities of each entity rather than be duplicative or, worse, work at cross-purposes. While vital, it is also important to stress that capacity-building is constrained currently by resource shortfalls. But with the strong institutional intent of UNDP reaffirmed through this strategy, the expectation is that a much more conducive climate is being created for the organisation to work with UNOSSC and a coalition of partners to strengthen the capabilities of both entities in a manner that is complementary rather than competitive.

The assumptions made above translate into specifics embedded within the Service Packages described in Section 7 below.

## 7 The Offer of Services

Three distinct Service Packages are envisaged under this strategy covering operational and programmatic activities at global, regional and country levels.

### Service Package 1: Launch and Management of the Global Development Solutions Exchange

Service Package 1 is a primarily operational and country-focused offer that taps directly into UNDP's network of regional hubs and COs to 'get things done' through the solutions exchange. The package, therefore, consists of advisory, management and implementation services to make the exchange operational and successful, collaborating with partners rather than 'doing it alone'. A key concern throughout will be to avoid 'reinventing the wheel' while aiming to be as efficient and pragmatic as possible, connecting and collaborating with existing networks, platforms and other arrangements, whether national, regional or global in scope. This goes directly to the heart of the value proposition underlying the 'exchange' which is to *add* value rather than displace, supplant or compete with on-going efforts.

The elements of this Service Package will be built into country, regional and global programmes and include:

- **'Start-up' services:** Feasibility analysis, initial institutional set-up, operational support services (legal, human resources, procurement, finance), 'seed' support through in-kind and some financial resources and a significant outreach and communications campaign. UNDP will work with UNOSSC to identify other founder members for the exchange from interested governments and non-state entities, not simply to fund the initiative but work jointly to set up and help manage it.
- **Market development services:** These will cover five major areas within the scope of the response to the SDGs: (a) conduct of outreach campaigns and 'road shows' to raise awareness of the Exchange, stimulate interest, and attract more participants and engagement; (b) assessment of and advice on demand and supply at country, regional and global levels; (c) assistance to regional, national and local institutions to better document solutions as offers and articulate demand for solutions sourced from other developing countries; (d) M&E of solutions received or offered to countries or other partners; and (e) establishment and/or strengthening of global networks that

link Southern knowledge hubs (think tanks, research centres) with UNDP's Global Policy Centres as well as similar entities in developed economies to substantially expand the capture, documentation, analysis and dissemination of knowledge on SSC and TrC.

- **'Brokering' and advisory services:** In order to deepen and broaden the range of development solutions sourced via SSC and TrC, UNDP will actively tap its global network, especially of COs and regional hubs, to ensure a steady flow of solutions and 'investable proposals' through the Exchange, whether to secure a steady supply or express demand. It will, thus, work with national, regional and other partners to bring solutions to the Exchange or source solutions globally at the request of participants. To facilitate this, UNDP will also utilise its COs to train nationals to participate in and utilise the Exchange. At the same time, UNDP will link-up its regional hubs and COs to offer state and non-state actors advisory services so that they can tailor solutions to their specific needs and circumstances, link them to national priorities connected to the SDGs, meet domestic and international safeguards and standards and forge agreements that are mutually beneficial. A particular advantage will be UNDP's ability, upon request, to anchor at least some of the solutions in regional and country programmes.
- **Implementation services:** As above, UNDP will leverage its global, regional and country network and operational capabilities to offer participants, if and when they choose to do so, the ability to execute an agreement, either as sole implementer or as a partner in a consortium with UNDS and/or non-UNDS entities. The Exchange will also enable participants to access implementation services from outside the UNDS. In those cases where UNDP is selected, it will apply a substantially updated implementation model based on the following parameters which reflect the organisation's response to feedback received from Member States and through evaluations:

- **Based on UN values and safeguards,** committed to openness, universality, solidarity, transparency, mutual accountability and integrity.
- **Risk-shared,** with UNDP and partners bringing their respective resources into the undertaking, whether intellectual, practitioner, financial and/or intangible.
- **Utilising updated internal governance arrangements** for partnerships that give all participants an opportunity to guide, design and monitor joint efforts.
- **Broadly based,** open to governments, civil society and private sector actors wishing to engage with an impartial multilateral partner on practical collaboration.
- **Open entry-exit,** with partners free to join or exit based on mutually agreed rules and performance criteria.
- **Rigorously designed,** substantially above current organisational standards with attention to metrics, measurements and M&E protocols, including the use of independent verification, which can provide assurance on quality and performance.
- **Results-based,** with a commitment to managing for development results.
- **Operationally relevant** with modalities and streamlined rules and procedures (including some exceptional waivers on an experimental basis) appropriate to SSC and TrC.
- **Flexibly managed,** focused on speed of action through results- and risk-informed decision-making as well as sharing of management and oversight responsibilities with other partners rather than necessarily managing the full spectrum of work, unless expressly requested to do so.
- **Cost-effective,** with a systematic effort to match or exceed peer performance.
- **Sustainability-focused,** staying with an effort till its completion and building-in active measures and metrics to secure ownership and capacity to sustain benefits and institutions after UNDP's exit.



- **Development and maintenance of an IT platform:** In order to support countries' efforts in the identification, sharing, transfer and implementation of successful development solutions from multiple countries and across regions, UNDP will set up a global supply-demand matching platform for SSC and TrC through which countries and other partners can both offer and have easy access to solutions, connect with expertise and look for financial and in-kind support. The platform would focus initially on a few high-demand areas – such as renewable energy – but with the potential to expand rapidly as a virtual exchange where partners talk to and reach agreement with each other.

This will be a major undertaking and one of the more costly and complex components of the Exchange. Industry-tested, off-the-shelf, solutions will be the preferred way forward working closely with experienced exchange managers from across the world, especially from emerging markets. Acknowledging this fact, the proposed Exchange, and the platform within it, will need to be developed on the basis of a viability plan that aims for medium-term sustainability, so that resource-intensive actions or budget lines are offset or minimised.

In building and operating the Exchange, UNDP will collaborate with UNOSSC to utilise its existing platforms so as to minimise redundancies and achieve cost-effectiveness. UNDP, will, in particular, work with UNOSSC to build on the Multilateral South-South Support Architecture (MSSA) that it has helped establish, that is, the South-South Academy, the Global South-South Development Expo and the South-South Global Assets and Technology Exchange (SS-GATE). UNDP can also tap into the UNOSSC/UNOHRLLS jointly-established South-South Technology Exchange Facilities for LDCs, SIDS and LLDCs. This approach is fully consistent with proposals made in UNOSSC's Strategic Framework (2014-17).<sup>9</sup>

### Service Package 2: Global Dialogue and System-Wide Coordination and Collaboration

Service Package 2 is focused on the global enabling environment for SSC and TrC. The offer involves working closely with UNOSSC to enhance the effectiveness of existing global processes that can support SSC and TrC. The package, therefore, consists primarily of improving UNDP's contributions to processes that may be convened, facilitated or managed by UNOSSC, other entities or Member States. It will include:

- **Strengthening of the global knowledge base:** This will be about systematisation, collection, analysis and dissemination of better data and knowledge about patterns, trends, flows, composition and impact of SSC and TrC (the 'who', 'what', 'where', 'how' and 'how well'), within a framework that will necessarily be demand-driven and led by Member States. This will help policy-makers, practitioners and experts in the South and North to access the information they need to deploy these modalities of cooperation at country, regional and global levels. If there is sufficient interest, then this could entail substantial support from UNDP, in collaboration with UNOSSC, to efforts by developing countries themselves to offer greater definitional clarity on modalities of SSC; classification of data; standards, methods and tools for data collection; and integration of the latter in national statistical systems. Such an effort would link well with work under Service Packages 1 and 3.
- **Development research:** Following suggestions from Member States, there will be a focus on the development, testing and steady application of monitoring and evaluation approaches that are specifically tailored to the principles and conduct of SSC and TrC, a major gap at the moment. As above, this will also link well with advisory work under Service Package 1 and offer very high

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<sup>9</sup> UNOSSC Strategic Framework (2014-17), p 11, (c).



returns for relatively limited investment, by contributing to gains in the efficiency, effectiveness and sustainability of SSC and TrC initiatives. This will offer an excellent opportunity for joint work with UNOSSC.

- **Deepening of global dialogue:** The aim will be facilitation of and/or technical support to fora where developing countries and other partners can come together to discuss, debate and build consensus on priorities, principles, opportunities, performance and peer-to-peer learning. This can only be done effectively on a demand-driven basis, at the request of Member States themselves, providing inputs that can help them in their efforts to see how SSC and TrC can best contribute to the 2030 Agenda and the SDGs. A key feature will be to bring Southern and Northern expert and practitioner knowledge and experiences to the table for experience exchange and mutual learning.
- **Support to inter-governmental fora:** Strengthened support from the UNDS to legislative processes in the UN, particularly the GA, ECOSOC and HLC, to enable improved monitoring of and guidance to SSC and TrC within the system but also bringing in and influencing other partners as well. UNDP will support UNOSSC, in particular, to connect these fora with global knowledge and expert networks, including those that it houses, so that they can inform discussions and consensus-building.
- **System-wide coherence, coordination and collaboration:** Seek a step change in the engagement of the UNDS in SSC and TrC, as called for in GA and ECOSOC resolutions, based on systematic system-wide advocacy, improved coordination, better guidance and tools for joint programmatic work in the field, and strengthened monitoring of resource flows and results. The main institutional mechanism for doing so will be the undg Task Team on SSC, chaired by UNOSSC, which falls within the umbrella of the larger undg Working Group on Sustainable Development. UNDP will utilise its broader coordination role in the undg and the Resident Coordinator System (RCS) to work with UNOSSC to press for improved support from the undg to SSC and TrC, especially operationally in the field, as part of the wider effort to achieve the SDGs.

### Service Package 3: Fostering an Enabling Environment at Country and Regional Levels

Service Package 3 is primarily operational and contains elements that would be implemented at both regional and country levels. As with Service Package 1, it taps into UNDP's network of regional hubs and COs to promote actions and results somewhat analogous to fostering a better global enabling environment. The package would be tailored to take into account the needs of different regions and sub-regions as well as typologies of countries.

- **Ideas and options for improving policies, legal frameworks and regulations** to make them more conducive for SSC and TrC, including through better diagnostics and policy analysis, development of detailed proposals for change, and consensus-building within and outside government on actions. Given the strong neighbourhood, regional and inter-regional dimensions of this work, UNDP would collaborate closely with regional economic commissions (RECs) and UNDESA to secure progress in this regard. This work would also link with the agreements, guidelines or initiatives that may emerge from global processes convened or facilitated by UNOSSC, other entities and Member States.
- **Creation, development or expansion of sustainable capacities** in governments, inter-governmental bodies, civil society organisations (CSOs), think tanks, and the private sector to boost their ability to identify, initiate, plan for, access or offer/provide, develop, manage, monitor and evaluate SSC and TrC initiatives. Depending on demand and the expressed requests of

programme countries, there is considerable scope for UNDP assistance across a wide array of possibilities as described in Box 3 below. This effort will also include building stronger capabilities for official development cooperation as well as increased scope for developing country non-governmental organizations (NGOs) to go international. For instance, some emerging economies have recently intensified their efforts to manage development cooperation and have increasingly turned to UNDP for support to strengthen their institutional capacity as they develop legal frameworks and strategies, institutionalise cooperation and expand programmes. Other developing countries, especially LDCs or SIDS, need support to enhance their capacity to better coordinate and benefit from the diversified options and modalities of assistance offered by SSC and TrC partners, as well as documenting and sharing their own knowledge with each other and with the world.

### Box 3: Options for Developing Country and Regional Capacities

- Acquisition and/or strengthening of knowledge and skills in public, parastatal, non-state, regional and sub-regional institutions for diagnostics, policy analysis, planning, M&E, including the role of SSC and TrC in meeting critical sub-regional and regional priorities.
- Development of expert ‘pools’ as well as national, neighbourhood, sub-regional and regional networks and databases, comprising governmental and non-governmental bodies, that can help identify, appraise, negotiate and manage SSC and TrC initiatives, programmes and projects.
- Creation or strengthening of a system of focal points in governments and inter-ministerial coordination mechanisms that pull together users/providers as well as planning and financing entities.
- Establishment of fora for dialogue, consultation and consensus-building on SSC and TrC priorities between government, development partners, the private sector, civil society and others, at national, sub-regional and regional levels.
- Formulation and implementation of substantive cross-border, sub-regional and regional initiatives that address priority development issues and rely substantially on the use of SSC and TrC modalities.
- Development and/or strengthening of capacities for engagement in global processes that focus on SSC and TrC, especially but not only at the UN.
- Development of nationally-managed monitoring systems to assess progress and impacts of SSC and TrC, as part of monitoring of the 2030 Agenda and the SDGs.
- Conduct of sub-regional and regional development review processes connected to the 2030 Agenda and the SDGs, including peer reviews, that examine the contributions of SSC and TrC.

## 8 The Role of Partnerships

As has been evident already, UNDP proposes to adopt a much more partnership-centric approach to the implementation of this strategy. There are three aspects worth highlighting, beyond the references made in sections 1-7 to the UNDS, foundations, CSOs/NGOs, think tanks and the private sector. These are as follows:

- **Value addition through TrC:** Evidence gathered from UNDP’s operational experience in recent years as well as advice received from several Member States point to the critical rather than incidental importance of TrC. It is self-evident that the large and deep pool of research, expertise, manpower, technology and finance available in developed economies in areas of shared interest with developing economies provides considerable scope for mutually beneficial collaboration, including through private sector engagement in development, that generates significantly higher development returns at potentially lower cost than might have been possible otherwise. The increased capacity that is created to tackle development challenges, strengthen partnerships and enhance regional integration also benefits everyone.

Triangular Cooperation plays well to the brokering and facilitation roles of a global multilateral institution such as UNDP. This form of cooperation will, thus, be a key feature of UNDP's value addition to its partners under the three Service Packages detailed above, building on the already rich body of experience accumulated through TrC involving China, Denmark, Germany, Japan, Republic of Korea, Sweden and the United Kingdom. In so doing, UNDP understands that TrC can take different forms and the division of labour among various partners is not static but rather constantly evolving, guided by the importance of support to 'Southern-driven partnerships' that address the 'individual and/or shared national capacity development objectives' of the countries involved.<sup>10</sup> Collaboration with UNOSSC in promoting the existing Global Portal for TrC will be helpful in this regard.

This reenergised commitment by UNDP is also timely as several traditional donors are taking active steps to be part of TrC. According to a United Nations (2012) review of progress, roughly two thirds of Development Assistance Committee (DAC) members are engaged in triangular cooperation, with Japan at the top of the list, followed by Germany and Spain.<sup>11</sup> At the regional level, there is also a strong call for increased triangular cooperation. In the Tunis Consensus (2010), initiated by the African Union Commission, the New Partnership for Africa's Development (NEPAD) and the African Development Bank, countries expressed their desire that '....donors increase their funding for triangular cooperation, without abandoning bilateral support.' The European Union has established agreements with Brazil and China to further strengthen cooperation through triangular partnerships. China's [White Paper on Foreign Aid \(2014\)](#) also highlights a willingness to further explore TrC at the demand of its Southern partners, with support from developed countries and international organisations.

- **Cooperation with Southern-led Development Banks:** UNDP will actively seek out opportunities for strategic engagement with the recently launched New Development Bank and the Asian Infrastructure Investment Bank, as part of the effort to unlock the full potential of SSC and TrC to eradicate poverty and accelerate sustainable development. Not only do these new development banks have a strong potential to influence thinking and shift current paradigms of cooperation but their mission offers a good 'fit' with the work UNDP proposes to do on SSC and TrC. The range of possibilities including joint research on potential areas of investment; access to and participation in various global dialogue processes, especially at the UN; collaboration on pre-feasibility and investment preparation work that pave the way for SSC and TrC; and direct participation as advisor, financier, broker and solutions provider in the Exchange.

## 9 The Way Forward

**UNDP intends to implement this strategy in a deliberate manner, proceeding in stages so that progress in meeting the objectives at each stage determines what happens next, based on lessons learned, feedback received and guidance from Member States.** The strategy is designed to yield promising early returns by the end of 2017, laying the groundwork for further acceleration under the next Strategic Plan (2018-21). Three phases are envisaged, as follows:

- **Phase 1 (April 2015 – January 2016):**

<sup>10</sup> United Nations, 'Framework of Operational Guidelines on United Nations Support to South-South and Triangular Cooperation,' High-level Committee on South-South Cooperation, New York, 2012 ([SSC/17/3](#)).

<sup>11</sup> Other DAC members involved in triangular cooperation are Australia, Canada, Denmark, Ireland, Italy, ROK, Luxembourg, New Zealand, Norway, Portugal, Sweden, Switzerland, the United Kingdom and the United States of America (OECD, 2013; UN-JIU, 2011).

- Consultations with Member States and experts, formulation of a draft strategy, additional consultations on the draft strategy, including with the Executive Board, and finalisation of the strategy.
- **Phase 2 (February – December 2016):** Moving steadily on several tracks, combining both sequential and simultaneous actions:
  - Formation of a 'start-up' team, preferably composed of a mix of UNDP, UNOSSC and seconded experts from interested governments and non-state entities to assist specifically in the implementation of the Exchange. Should non-state entities express an interest, then their participation would depend on meeting relevant UN and UNDP standards and safeguards that relate to transparency, accountability and integrity. This team would be strictly transitional in nature and be in place for only 24 months.
  - Preparation of a prospectus on the Exchange, launch of a targeted 'road show', assembling of a founding group of partners.
  - Detailed design and costing work, preparation of a sustainability plan, fundraising and set-up of the first key functionalities and services.
  - In-depth studies on 2-3 initial areas of focus for the Exchange based on their impact on poverty eradication and sustainable development, demand from countries and other partners, access to a ready supply of solutions, growth potential, and possibility of linkages to the programme portfolios of UNDP and other agencies or partners. Issues such as urban governance and development, access to off-grid renewable energy services or disaster prevention and management are examples of areas within which more technically specific 'offers' could be made available.
  - Development of a concrete 'offer' of policy advisory and capacity development services designed to promote an enabling environment, drawing heavily on joined-up work across country, regional and global programmes.
  - Implementation of a year-long communications, awareness-raising, orientation and training of trainers programmes for UNDP staff in Headquarters, regional hubs and selected COs – including UNDP Resident Representatives and Country Directors - to forge a cadre of 'master trainers' and 'champions' that can spread the word, engage with partners and serve as resource persons.
  - Launch of a global outreach and communications campaign to raise awareness, generate interest and attract some 'anchor' participants in the Exchange.
  - Systematic integration of SSC and TrC in 40 Country Programme Documents (CPDs) due for submission in 2016, where there is demand for such an approach from programme countries.
  - Review and strengthening of the tracking, monitoring and evaluation of SSC and TrC work based on the Integrated Results and Resources Framework (IRRF) of the current Strategic Plan, with a view to improving performance analysis under the next Strategic Plan.
- **Phase 3 (January – December 2017):**
  - 'Soft launch' of the Exchange for an initial testing period of about 24 months, focused on building demand and securing financial sustainability.
  - In-depth analysis and identification of options for incorporation of SSC and TrC in the next SP (2018-21).
  - Continuing emphasis on programming at country, regional and global level, targeting integration of SSC and TrC in 60 percent of CPDs, where demand is expressed by programme countries.

In order to enable effective implementation of the strategy, UNDP will do the following:

- Based on work underway already, systematically resolve internal, UNDP-specific, operational bottlenecks to SSC and TrC. This will involve, among other things, rolling out two new instruments: the [South-South Cooperation Project Modality](#)<sup>12</sup> which enables UNDP COs to more easily organise multi-country projects with common result frameworks, clear accountability and designated roles for coordination; and a revised contribution arrangement to support SSC, accommodating both financial and in-kind contributions.
- Make available staff mobilised from across the organisation as well as some seed resources to kick-start implementation, welcoming the engagement – including contributions – at this initial stage from interested countries and non-state entities.
- Develop a detailed costed action plan as the basis for investment and actions during 2016-17.

## 10 Management, M&E and Risks

The strategy will be executed jointly during an initial 24 month period by the Executive Office (ExO) and the Bureau for Policy and Programme Support (BPPS) working closely with Regional Bureaux and Country Offices. The ExO will exit this role after the initial period. UNOSSC will be invited to join this team, to build in close communication and collaboration right from the start.

It should be noted that this initial arrangement will be distinct from what will be in place to oversee and manage the Exchange which will necessarily include all founding members in various roles and functions.

A final element will be a high level advisory group to the UNDP Administrator that will provide a strategic and representative set of views on UNDP's work on SSC and TrC as well as evolving strategic opportunities and risks.

The M&E of UNDP's support to SSC and TrC will remain an integral part of the broader M&E framework of UNDP, including the IRRF of the Strategic Plan. From the theory of change perspective, the results chain is embedded in the IRRF in a highly integrated way. At the organisational effectiveness level, the measurable result will be the increased number of programmes and projects using SSC and TrC. At the development output level, the direct results of SSC and TrC will be captured systematically by the following four interdependent outputs under Outcome 7, whilst recognising that SSC and TrC will be deployed, whenever relevant, as pathways to achieving results across all 7 outcomes of the Strategic Plan:

- **IRRF Output 7.5 to explicitly measure the increased scale and effectiveness of SSC and TrC partnerships, along with harmonisation and improvement of policies, legal frameworks and regulations across countries.**
- IRRF Output 7.1 to address UNDP's support for capacity development that enables the South to participate actively in global processes.
- IRRF Output 7.7 to capture knowledge generated and shared, in which there is increased significance of development solutions from the South.

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<sup>12</sup> UNDP, 'South-South and Triangular Cooperation Projects', Programme and Operations Policies and Procedures (POPP), December 2014.

- IRRF output 7.6 to focus innovation on development solutions, partnerships and other collaborative arrangements that can be from and for developing countries.

Specific results will be identified directly through a broad spectrum of existing corporate planning, monitoring and evaluation mechanisms such as the UNDP Annual Business Plans, unit level integrated annual work plans (IWPs), IWP monitoring and the results-oriented annual report (ROAR). UNDP will also report more comprehensively on its work on SSC and TrC as part of the Annual Report of the UNDP Administrator.

Finally, there are several risks that UNDP will need to address through mitigation measures built into the design and implementation of the strategy, as described below:

- **Balancing the interests of different groups of countries:** With major structural changes taking place in the global economy, old sureties must now contend with new actors, new alliances, and new ways of doing business. This creates both opportunities and risks for a multilateral organisation such as UNDP, posing a challenge in successfully handling the expectations of all major stakeholders.
  - **Mitigation:** The strategy aims for an inclusive and transparent approach that engages all members of the Executive Board as well as a broader set of stakeholders outside the UNDS. It aims for ‘win-win’ solutions that bring together capabilities, interests and opportunities that exist *across* programme and donor countries, private and public entities, and new and well-established development finance institutions. Moreover, there is a deliberate emphasis on dialogue informed by much better evidence, to foster productive discussions and focus on shared interests.
- **Coping with a high level of ambition:** UNDP is aiming for a thorough and ambitious overhaul of its approach to SSC and TrC which brings with it a set of complex internal and external challenges not least around higher levels of technical design, internal capacities, speed of movement and success in generating enthusiasm that yields both moral and financial support and generates substantial goodwill and interest.
  - **Mitigation:** The strategy openly acknowledges the need for more sophisticated and detailed technical work than has perhaps been seen in the organisation before. This aspect, therefore, is unlikely to come as a surprise to UNDP and will trigger an early response. The additional emphasis on a phased rather than rushed build-up to full potential as well as reliance on collaborative and partnership-driven implementation offer significant scope for testing, learning, adjustment and successful consolidation.
- **Securing essential support:** The success of the strategy relies heavily on a high level of engagement and support from programme countries, in particular, as both sources of demand and suppliers of solutions, as well as donor countries as enablers of TrC. This not only needs to happen in the Executive Board but among a wider range of potential stakeholders. The Exchange, for example, can only work effectively if potential participants join in and utilise the mechanism as a channel for aspects of their work on SSC and TrC.
  - **Mitigation:** The strategy has been prepared based on a careful reading of UNDP’s prior experience, the demand for SSC and TrC and the views of a wide range of Member States. Furthermore, the emphasis, especially in the case of the Exchange, on a focused approach that taps into issues where there is clear and sustained evidence of demand as well as scope for stronger SSC and TrC offers the reassurance that this risk can be managed effectively. Furthermore, UNDP can tap into its programmes and relationships at country level in a way that few other agencies can to raise awareness and interest, boost the flow of solutions and demonstrate promising early results reasonably quickly.



- **Securing space:** SSC and TrC are heavily subscribed, and the volume and sophistication of flows are likely to increase in the future. The risk is that UNDP's service offer and added value may not be well recognised in a timely manner. This may result in the organisation losing ground.
  - **Mitigation:** The strategy places a premium on outreach, communications and partnership-building to raise awareness of UNDP's value proposition and service packages as well as generate interest and engagement across a wide spectrum of potential stakeholders. The high level advisory group to the UNDP Administrator will also help to keep the organisation grounded in the realities of the 'marketplace'.
- **Keeping supply and demand in equilibrium:** As with all relationships, SSC and TrC risk becoming supply driven. Given the rapidly evolving institutional landscape globally, ensuring that demand-side interests drive cooperation objectives and content will be hugely important.
  - **Mitigation:** The strategy consistently acknowledges the importance of both demand and supply, particularly but not only with regard to the Exchange. UNDP's global network – especially of COs and regional hubs – offers a strong foundation for dealing effectively with supply and demand side issues. Connecting this with the work, experience and networks of other UNDS agencies and non-UN partners offers a sound basis for mitigating the risk of supply-driven approaches.
- **Ensuring sustainability of the Exchange:** This will undoubtedly be a major concern and require careful analysis and considered action. Both start-up, fixed and operating costs will need to be managed carefully and contained to match with the feasible financing envelope. This has been a problem in the past with efforts of this nature, whether in the public or private sectors.
  - **Mitigation:** The strategy recognises this challenge and, thus, frontloads sustainability analysis during Phase 2. The expectation is that start-up costs can be contained and covered from a combination of UNDP (central) and non-UNDP sources as a subsidy to the Exchange. As operations begin to take place during Phase 3, on-going operating costs and enhancements will need to be financed from a variety of sources and on different bases, from operating grants received from governments and non-state entities to contributions from UNDP country, regional and global programmes, cost-sharing with national governments (where there is interest) and, possibly, relatively small annual contributions from participants in the Exchange. It needs to be stressed that all of these options are hypothetical at this stage and will need to be analysed carefully for their financial, institutional and political viability.

## Annex: Evidence on the State of Play in UNDP

### A. Comparative Strengths

The evaluation of UNDP's Contribution to South-South and Triangular Cooperation (2008-2011) and external and internal consultations all point to the strength of UNDP in **facilitating impartial spaces for consensus-building**, recognising that Southern countries will be the drivers of any such fora. UNDP is particularly well-positioned as it remains the institutional host of UNOSSC. Furthermore, UNDP can leverage its strong relationship with both traditional donors and programme countries to facilitate triangular partnerships.

The UNDP Administrator chairs the UN Development Group (UNDG) and UNDP is the manager of the Resident Coordinator (RC) System that leads the UN at country-level. These roles have a direct bearing on the quality and effectiveness of SSC as they can leverage the knowledge and resources of the entire UNDS at country level. UNDP, thus, retains the ability to be the **'force multiplier' of the UN, offering a significant global platform for SSC and TrC.**



Working in over 177 countries and territories, UNDP also has the most **extensive field-based presence and capacity** in the multilateral system to assist programme countries to follow-up on internationally agreed development goals and to share knowledge and good practices. At a time when bilateral donors are limiting their country presence, UNDP's field presence offers a strategic complement to bilateral cooperation. This complementarity gains as well from UNDP's **long-term engagement and capacity development approaches**, with specialised support provided to build resilient and stable institutions.

UNDP's **comprehensive corporate systems of accountability**, its programme quality assurance standards and monitoring and evaluation practices *together* provide a robust and transparent framework that can assure SSC partners about the integrity, quality and sustainability of results that can be achieved. For example, UNDP's Social and Environmental Standards (SES) and related Compliance Review and Stakeholder Response Mechanism (SRM) help translate the normative principles and commitments of the UN into results and impacts.

## **B. Areas for Improvement**

There is an opportunity globally on SSC and TrC that UNDP is well-suited to fill but has not done so fully yet, whether in terms of generating strong political support through active engagement with the HLC, utilising its operational coordination role in the UNDS to tap into a wide and deep base of expertise across funds, programmes and specialised agencies, or through UNDP's own country, regional and global programmes. Both the SSC evaluation and programme mapping exercise point to the following areas for improvement:

- **The programmatic application of SSC involves abundant initiatives but lacks systematic approaches to fully serve UNDP's strategic roles.** While 127 countries reported on SSC and TrC activities in 2013, a significant number of them were not designed as an integral part of planned programmes but rather as one-time, small scale activities (for example, one-off study tours or single events). Overall, 34 percent of COs think that they are playing the role of knowledge broker, 19 percent that of facilitator and 15 percent that of capacity developer.
- **Integration of as well as support to policy frameworks and institutional capacities connected to SSC and TrC takes place, but have yet to reach adequate scale.** Of the 3,500 projects examined as of 2014, 13 percent (or 469 projects) had identifiable built-in SSC and TrC components or outcomes, covering all regions and all typologies of countries. The majority of these projects are utilising SSC and TrC as a modality to promote thematic development results. Only initial efforts have been made in supporting improvement of legal, policy and institutional frameworks for SSC; however, many countries have already identified this as an important new area of support, underpinning the broader rationale for this strategy.
- **There is a demand for approaches tailored to different typologies of countries** including the LDCs, Land Locked Developing Countries (LLDCs), SIDS, and fragile states, guided by the Istanbul and Vienna Programmes of Action and the Samoa Pathway. Challenges and opportunities for new business models also exist in Middle-Income Countries (MICs) where UNDP is playing the dual roles of supporting domestic development as well as these countries' role as promoters of SSC. Similarly, in Net Contributor Countries (NCCs) there is a need to update UNDP's business model to reflect the rising importance of South-South engagement in their foreign and development policies.
- **While a combination of different modalities of SSC are in place, there is substantial untapped potential to increase regional integration efforts as well as sub-regional and neighbourhood**

**initiatives.** Most of the activities currently supported by UNDP are country-to-country exchanges, which accounted for 61 percent of South-South activities reported in 2014. Regional integration and neighbourhood initiatives accounted for 31 percent of reported activities while 8 percent were at the global level.

- **Partnerships in support of SSC and TrC are primarily with governments, and have yet to leverage the resources of the private sector and civil society.** Over 80 percent of South-South initiatives supported by UNDP only refer to the public sector, such as specialised agencies and ministries, as the source of expertise for exchanges. This represents an important missed opportunity.